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ABSTRACT

Reported are the preliminary findings of a review of the financial and program oriented systems of the Division of Special Education and Pupil Personnel Services (DSEPPS) in New York City, and preliminary recommendations for the development of new business management and information gathering systems for DSEPPS. Sections cover the following topics: introduction (including statistical information on DSEPPS), background of the study, review of operations and financial management, organization structure and staffing required for business management, and the pupil information system. Appended are pertinent legislation, definitions of handicapping conditions, and the cost and implementation schedule for alternative pupil information systems. (IM)

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STRENGTHENING BUSINESS MANAGEMENT IN THE DIVISION OF SPECIAL EDUCATION AND PUPIL PERSONNEL SERVICES

MANAGEMENT PAPER NUMBER 1

NOVEMBER 26, 1975

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EC 100461

STRENGTHENING BUSINESS MANAGEMENT IN THE DIVISION OF SPECIAL EDUCATION AND PUPIL PERSONNEL SERVICES

MANAGEMENT PAPER NUMBER 1

PREFACE

This report contains the preliminary findings and recommendations of the Operations Improvement Project being conducted in the Division of Special Education and Pupil Personnel Services (DSEPPS) as a joint effort of the Office of the Deputy Chancellor and the Office of the Executive Director of DSEPPS. The study was initiated in response to management problems that have resulted from the rapid growth of Special Education; increases in pupils served as a result of the Riley Reid Decision in 1973; and the data requirements of Chapter 241 of the State Education Law of 1974. The report was prepared by Tim Tempel, Ellen Zimmerman and Susan Smith of the Project Management Unit. William Hall, prior to becoming Assistant Auditor General, provided early leadership of this effort. Most of the exhibits were prepared by Jacqueline Wong. Helen Massiah, Charlotte Johnson, Claire Beneduce and Carol Young typed the text.

Many individuals in DSEPPS provided considerable assistance in identifying problem areas requiring investigation and in developing the recommendations made in this report. Without the support and knowledgeable feedback of Helen Feulner, Executive Director of DSEPPS, we could not have performed as extensive an analysis of DSEPPS organizational and business management practices. Special thanks must also go to Bernard Warshavsky and Evelyn Zwicker, Executive Assistant and Assistant Administrative Director respectively of the DSEPPS Office of Budget and Personnel for their assistance and insight into financial aspects of DSEPPS. Also, thanks to Joel Klein, Paul Lepesqueur and Connie Lekas, from the Bureau of Children with Retarded Mental Development for their assistance in developing the pupil information system proposal for DSEPPS.

* * * * * *

There are two issues having to do with future organizational changes in the delivery of special education services which were not within the scope of a business management report, but which I feel should be brought up for discussion within the Division of Special Education and the Board of Education; and with concerned parents' and citizens' groups.

One change which should be considered is the grouping of handicapped children in classes by their learning needs rather than dividing them by handicaps. As stated in the Fleischman Commission Report,

> "These children whom we view as having "learning problems" requiring treatment through "special education" are often still categorized with medical and legal labels like "mentally retarded" or "brain-injured." Unfortunately, such labeling of these children causes us to lose sight of the fact that all children have all the same components of learning ability and disability, and vary only in the degree to which one or more components are present."*

When it is not possible to mainstream these students, classes for children with various handicaps might be grouped together in "learning centers" and taught by multi-disciplinary teams. Under this arrangement supervisory staff might be given responsibility for all special education programs in a particular geographic area. This would simplify the relations between the Division of Special Education and District personnel as well as avoiding some of the problems associated with sorting handicapped children by type of handicap. A programmatic change of this type would imply changes in the Bureau organization of DSEPPS which is currently structured to provide special education services by handicap category.

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* M. Fleischmann, Chairman, Report of the New York State Commission of the Quality, Cost, and Financing of Elementary and Secondary Education. 1972, Volume 2, Section 9, page 9.1.

A second issue is that the present organizational split in responsibility for handicapped children and non-handicapped pupils between DSEPPS and the Community School Districts can lead to a break in the continuum of services for handicapped children, and can hamper the smooth transfer of children between special education and traditional classes as their learning needs change. The successful integration of handicapped children into regular District programs continues to be an important goal of the Division of Special Education and Pupil Personnel Services, but alternatives for increasing the involvement of the Districts in the education of handicapped children should be explored. Consideration might be given to the decentralization of certain aspects of special education programs as a method for insuring that handicapped children are included in the mainstream to the full extent of their capabilities.

One persuasive objection to the decentralization of special education services has been that in competing for scarce resources at the District level, services for handicapped children would receive a low priority, and as has happened with attendance and guidance services, special education would receive only minimal support. One way of dealing with the problem might be to establish minimum standards which Districts must meet in the provision of services to handicapped children and close supervision of special education by the central Board. The advisability of using some form of decentralization as a means for giving more responsibility for the education of handicapped children to the Districts, as well as the method by which this would be accomplished -- administrative, programmatic, or legal -- deserve careful study and review by the entire educational community.

BERNARD R. GIFFORD
Deputy Chancellor

SUMMARY

The rapid program growth in the Division of Special Education and Pupil Personnel Services (DSEPPS) and the increasing programmatic and financial reporting demands from the Board of Education, the City, State and Federal governments have placed a severe strain on the business and financial management operations of DSEPPS. In response to growing business management needs in the Division, a project was instituted to develop an appropriate organizational structure and systems and procedures for meeting these needs; and to develop within DSEPPS the capabilities required to insure that financial responsibilities are being met.

In the course of this study, all major DSEPPS financial and program oriented systems were reviewed. This report contains the results of this review and preliminary recommendations for the development of new business management and information gathering systems for the Division.

A number of features distinguish the Division of Special Education and Pupil Personnel Services from the Division of High Schools and the Community School Districts.

The most important is the nature of the pupil population served: all handicapped students who cannot be most effectively educated within the regular system. This includes about 40,000 students who receive full-time instruction, and about 76,000 students who receive resource room or

itinerant services for part of the day while attending regular classes. The Division provides services to children with all kinds of physical, mental and emotional handicaps through more than 40 different instructional programs at every level from pre-kindergarten to post-high school work-study programs for 17 to 21 year olds.

Its complexity is a second distinguishing feature of the Division. Over the years, the number of Bureaus and special program units that make up what is now the Division of Special Education and Pupil Personnel Services has grown as the variety of services for the handicapped has increased. There are presently nine Bureaus, six of which concentrate on education for a particular handicap. These include:

- The Bureau of Hearing Handicapped
- The Bureau for the Education of the Visually Handicapped
- The Bureau of Speech Improvement
- The Bureau for the Education of the Physically Handicapped
- The Bureau for Children with Retarded Mental Development
- The Bureau for the Education of Socially Maladjusted, Emotionally Disturbed Children

Three other Bureaus provide "pupil personnel services" to children in the regular grades as well as to handicapped children:

- The Bureau of Child Guidance
- The Bureau of Educational and Vocational Guidance
- The Bureau of Attendance

Other units which do not fit into an existing Bureau organization include:

- Pre-Placement classes
- The Center for Multiply Handicapped Children
- The readiness program for severely handicapped children
- Classes for neurologically impaired, emotionally handicapped children
- Special integrated programs
- Evaluation and Placement Unit for handicapped students in secondary schools
- Job referral services for handicapped students who have completed their education
- General Industrial Labs

Education for the handicapped is provided in four major modes:

- Special schools for the handicapped
- Special classes for the handicapped in regular schools
- Special classes for handicapped children in other-than-school settings
- Itinerant instruction and resource room services for children who can function in regular classes.

Most bureaus run programs using each of these modes of instruction. Each mode of instruction presents different administrative problems. Compounding the complexity necessary in an operation which must serve many handicaps of various severity at all levels of instruction, is the fact that the organization as it exists today was not planned from the beginning to accommodate these varied programs, but grew over the years as services for the handicapped have been expanded. Bureaus and special schools, having been more or less autonomous at various times in their history still do not form a cohesive, integrated service system.

Compared to the Community School Districts and High Schools, the involvement of parent and advocacy groups in the education of handicapped children is especially high. This requires the Division to be especially mindful of public opinion, responsive and cooperative with its vocal constituency, and able to produce accurate information on such things as program costs and pupils served for public scrutiny.

In contrast to the Community School Districts and the High Schools, which have lost population in the past few years, the Division of Special Education has grown nearly 51 percent since 1970-71 from 27,865 to 39,553. This increase had been projected in the long range plans of the Office of Special Education (the present DSEPPS), but was accelerated into a short period of time by the decision of the New York State Commissioner of Education in the matter of Riley Reid. The decision requires immediate and appropriate placement of all handicapped pupils needing and requesting special education services. As a result of the decision, not only more students, but students with handicaps for which there had previously not been programs, were added to the Special Education population. The Table below shows the number of pupils served by handicap at the peak register in May 1975.

HANDICAP PROGRAM	FULL-TIME PUPILS	PUPILS RECEIVING RESOURCE AND ITINERANT SERVICES
PHYSICALLY HANDICAPPED	8,112	--
RETARDED MENTAL DEVELOPMENT	12,721	--
SOC. MAL. AND EMOT. DISTURB	12,598	132
HEARING HANDICAPPED	1,386	855
VISUALLY HANDICAPPED	281	1,432
SPEECH HANDICAPPED	--	74,276
NEUROL. IMPAIRED EMOT. HAND.	403	--
READINESS PROGRAM	231	--
PRE-PLACEMENT CLASSES	548	--
MULTIPLY HANDICAPPED	143	--
HOME INSTRUCTION	3,130	--
TOTAL	39,553	76,695

Whereas, children are placed in schools in Community School Districts by their place of residence, children are placed in special education classes because of their special needs. Because labeling a child as handicapped will have a profound effect on his life and his future education, care must be exercised to assure that the final placement is appropriate to the childs needs, and that the rights of the child and his parents are protected in the process. A competent, efficient evaluation and placement system is a necessary adjunct of any special education system.

A large portion of the funding for special education comes from an additional State aid apportionment for handicapped children. This additional aid has only been available starting in Fiscal Year 1974-75. In the last ten years no additional aid was allocated for educating handicapped pupils. The reporting requirements for programs for the handicapped are far more complicated than the requirements which must be met to receive State aid for non-handicapped children. Each child must be certified as handicapped; numbers of children in various programs must be reported by type and severity of handicap; and State requirements on class size, age groupings, and amount of special instruction, which vary according to handicap, must be met. The Table below shows the level of State and Federal funding for 1975-76:

	TITLE I	TITLE IV	TITLE VI	TITLE VII	V.E.A.	TOTAL
FEDERAL AID	11,538,890	176,218	4,884,693	563,480	853,741	18,017,022

	OPERATING AID * [1]	SPECIAL EDUCATION NEEDS	HANDICAPPING AID FOR CHILDREN [2]	SPECIAL SERVICES AID FOR SEVERE	TOTAL
STATE AID (EST.)	13,912,182	1,266,727	10,591,867	31,485,366	57,256,142

[1] INCLUDES AID FOR REGULAR PUPILS SERVED BY DSEPPS

[2] INCLUDES AID FOR HANDICAPPED PUPILS RECEIVING RESOURCE ROOM AND ITINERANT SERVICES

Along with the growth in the number of students has come a growth in the special education budget from $ 110.1 million in 1970-71 to $241.0 million in 1975-76, excluding Reimbursable Programs. Part of this increase is a result of DSEPPS serving a greater proportion of pupils with more severe handicaps. Also, decreases in the real purchasing power of personal service dollars have contributed to the budget increase. The Table below shows the 1975-76 Budget.

FUNCTION	1975-76 COSTS
INSTRUCTIONAL SERVICES[1.]	113,533,184
ADMINISTRATION[2.]	8,162,915
SUPPORT SERVICES[3.]	18,848,331
PENSION AND FRINGE BENEFITS[4.]	18,760,717
TRANSPORTATION[5.]	49,074,557
SCHOOL LUNCHES[6.]	7,200,000
CUSTODIAL AND BLDG. MAINT.[7.]	7,425,785
SUB-TOTAL	223,005,489
REIMBURSABLE PROGRAMS	18,017,022
TOTAL	241,022,511

1. INCLUDES COSTS OF EDUCATING PUPILS UNDER 4404 (2) b.
2. EXCLUDES CENTRAL BOARD OF EDUCATION ADMINISTRATIVE COSTS AND COSTS TO OTHER CITY AGENCIES SUCH AS DEBT SERVICE, LIGHT, HEAT, POWER, MEDICAL, DENTAL, HEALTH.
3. INCLUDES DEPARTMENT OF MENTAL HEALTH FUNDING FOR BUREAU OF CHILD GUIDANCE
4. EXCLUDES PENSION AND FRINGES FROM REIMBURSABLE PROGRAMS
5. INCLUDES COSTS OF TRANSPORTING BOTH PUBLIC AND NON-PUBLIC PUPILS
6. ESTIMATED
7. COSTS OBTAINED BY DIVIDING TOTAL 1975-76 CUSTODIAL AND BUILDING MAINTENANCE BUDGET BY 1975 ESTIMATED PUPILS BOARD-WIDE. THE PER PUPIL COST WAS THEN MULTIPLIED BY THE ESTIMATED DSEPPS MAY REGISTER

The Division of Special Education and Pupil Personnel Services has been aware that, as a result of recent growth, many problems of a business management nature exist in the Division. DSEPPS has been unable to solve them internally because of historical and political precedents, a lack of appropriate analytical and management services staff, and the enormous growth in their pupil population.

Although the analysis conducted to prepare this report focused on the business management aspects of DSEPPS, it was necessary to review all major finance and program oriented systems in DSEPPS to gain a better understanding of the entire special education process and to effectively design business systems consistent with organizational requirements and known constraints.

The major findings of this study in the area of business management in DSEPPS are the following:

- Pupil information required centrally as the basic input for management control and planning purposes is not readily available in a form useful to top management
- Uniform internal DSEPPS budget development procedures and standards do not exist for determining resource needs, conducting budget analysis, and allocating resources
- The current structure of the DSEPPS budget does not reflect the organization or program structure of the Division. This results in complications in generating and allocating the budget
- The accounting system used by DSEPPS does not provide management with the financial data needed to monitor the cost of their programs effectively
- Control of encumbrances and expenditures is not conducted at the level of detail required to analyze the allocation of resources, nor are spending rate projections made to insure that expenditures will remain within budget

- Controls are lacking on the reconciliation of deliveries with purchase orders and invoices, and insuring timely payments to vendors
- The Division requires extensive pupil and personnel information to meet regulatory and funding source requirements, but is unable to produce this information on a regular and timely basis because it must rely on the Office of Educational Statistics for register and attendance data, and has no uniform internal system for collecting the information required
- Completing space arrangements with the Districts and transportation arrangements with the Bureau of Pupil Transportation have often delayed the opening of classes and the placement of pupils in classes
- A single central unit for all pupil clinical and academic evaluation and placements does not exist. As a result it is difficult to be sure that the uniform standards for evaluation are being used, and that placements of students referred for special education are timely and appropriate. This problem also impacts access to evaluative information and information on waiting lists
- Bureau organizational and management problems may reduce the effectiveness of DSEPPS central budget and accounting systems and procedures and the flow of programmatic information upwards in the Division
- The DSEPPS State Aid unit lacks the internal procedures and staffing resources necessary to adequately conduct approval, placement, and monitoring functions required by Section 4404 (2) (b) of the New York State Education Law with respect to contracting with non-public schools for the education of handicapped children

In response to these management problems, certain improvements have already been instituted:

- Guidelines for the preparation of and standards for the documentation of budget requests along with a needs assessment worksheet have been developed on a preliminary basis in the preparation of the 1975-76 budget
- A new organization for the DSEPPS budget has been developed which reflects the internal program structure of the Division

- The Division has consolidated authority for position control in the Office of Budget and Personnel
- A new 4404 (2) (b) contract has been agreed upon to take effect with the 1975-76 school year
- The Bureau of Children with Retarded Mental Development Pupil Data Bank is in the process of expanding its services to the Bureau for the Education of the Physically Handicapped.

As a result of the study of the Division of Special Education and Pupil Personnel Services, the Project Management Unit of the Deputy Chancellor's Office has proposed a structure for the Business Office which places the appropriate emphasis on conducting business management activities in the Division. The aim of the proposal is to:

- Insure greater management control of financial and other business related functions
- Consolidate staff performing various business and financial functions into a single unit and add staff for functions currently not performed
- Develop staff to take a more active role in business management functions at the Bureau level
- Organize Division business functions into related activity groups.

It is proposed that the scope of activities of the present DSEPPS Office of Budget and Personnel be expanded to develop it into a Division Business Management Office which would consolidate all business and financial functions in the Division. A Division Business and Administrative Manager would supervise high level managers, each of which would oversee units with specific business and financial management responsibilities:

- A Financial Operations Officer will supervise accounting, budget control, imprest funds, and purchasing and payment processing
- A Financial Analysis Officer will oversee budget analysis, and will prepare special analytical report and studies
- A Space and Transportation Officer will be in charge of space and transportation planning and expediting
- The pupil information system, as described in the following section, should also fall under the jurisdiction of the Business Management Office.

A central business management office cannot, however, perform all necessary business management tasks. Complementary functions must be carried out at the Bureau and program level. In the case of both the Bureaus and the new Business Management Office, new staff may have to be assigned, present responsibilities reallocated, and training programs instituted to assure that all the resources and skills are available to carry out all the necessary business and financial management functions.

To provide a firm foundation for educational and management decisions at the Division of Special Education and Pupil Personnel Services, a pupil information system is proposed. Currently when information is needed, it is gathered on ad hoc basis. The successful implementation of a pupil information system depends on having appropriate staff capabilities and resources at all levels of the organization to conduct business management activities so that data utilized in the performance of these activities will be transferred accurately, on a timely basis, and in useful form through the organization; and that the analysis of this data is conducted in a thorough and systematic way.

The recommended approach for implementing a pupil information system is as follows:

- Develop and implement the organization structure and procedures required for DSEPPS to effectively perform its business management functions
- Develop and implement a limited interim manual pupil information system, for collecting and summarizing business management information at the Bureau level to allow time for the organization to adjust to performing the new business management functions
- Continue to use the Pupil Data Base System now operational in the Bureau for Children With Retarded Mental Development (BCRMD)
- After the Division becomes familiar with the manual system, develop and implement a computer assisted pupil information system, similar to the BCRMD System, Division-wide

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DIVISION OF SPECIAL EDUCATION AND PUPIL PERSONNEL SERVICES
OPERATIONS IMPROVEMENT PROJECT

The purpose of this report is to outline the preliminary findings and recommendations of the Operations Improvement Project in the Division of Special Education and Pupil Personnal Services (DSEPPS). The report outlines the business management organization and procedural improvements required in DSEPPS to support the effective operation of educational programs. The report also identifies key information needs required by DSEPPS and regulating and funding agencies external to DSEPPS, and recommends a strategy for meeting these needs.

I. INTRODUCTION

The Division of Special Education and Pupil Personnel Services conducts forty major educational programs which service 39,553 handicapped pupils full-time and an estimated 75,695 handicapped pupils part-time. Programs are conducted at 232 special school locations, in 519 regular schools, where only a few classes in the school may be for handicapped pupils, and for 2,992 pupils on home instruction. Enrollment has increased from 27,865 in 1970 to 39,553 in 1975. The Office of Special Education (now DSEPPS) had predicted a similar increase in enrollment over a longer period of time but the Riley Reid decision of 1973 required immediate and appropriate placement of all handicapped pupils needing and requesting educational services. At the same time pupil enrollment increased 42 percent, the cost of special education increased from $110,000,000 in 1970-71 to $245,828,581 an increase of 100 percent. The rapid program growth and increasing programmatic and financial reporting required of DSEPPS by the Board of Education, City, State, and Federal government necessitated that a project be conducted to insure that an appropriate organizational structure, and systems and procedures are available for meeting these requirements. The primary objective of this project is to analyze the business management needs in DSEPPS and develop the capabilities required in DSEPPS to assist in effectively conducting educational programs while at the same time insuring that financial responsibilities are being met.

To prepare this report formal interviews with key DSEPPS business and program management personnel and numerous informal interviews with other Board of Education and city personnel were conducted. It was necessary to review all major finance and program oriented systems in DSEPPS to gain a better understanding of the entire special education process and to effectively design business systems consistent with organizational requirements and known constraints.

The interviews were aimed at reviewing the major systems in DSEPPS including:

- Programmatic systems
- Support service systems
- Community involvement systems
- Financial reporting and control systems

Specific attention was aimed at collecting and analyzing the following information:

- Identification of DSEPPS organization and program structures
- Identification of current business management organization and procedures
- Determination of current and anticipated budget and accounting information requirements
- Identification of organizational requirements and existing and proposed systems and procedures capable of meeting business management.

II. BACKGROUND

One must understand the historical and political issues and precedents surrounding special education, and the enormous program growth over the past two years, in order to propose recommendations for improvements in their business management practices which the Division will be capable of implementing. This section outlines the:

- Major special education issues impacting on DSEPPS
- Profile of the population served
- Description of the development of DSEPPS organization
- Profile of the DSEPPS budget

1. MAJOR SPECIAL EDUCATION ISSUES IMPACTING ON DSEPPS

There are a number of issues and considerations that impact the program of the Division of Special Education and Pupil Personnel Services, that distinguish DSEPPS from the District and High School programs.

(1) High Parental Involvement

Parent and advocacy groups involved in special education are well organized and vocal. There is an association or foundation for almost every handicap. These groups keep a close watch on special education programs, and freely offer opinions on the way special education services are being delivered. They maintain newsletters and issue reports on their impressions of the quality of special education programs. In addition to the encouragement of the Division of Special Education and Pupil Personnel Services which has agressively pursued a policy of parent involvement and child advocacy, two factors contribute to the high level of parental involvement in education for the handicapped as compared to that of children in the regular grades. Quite naturally, feelings run high where handicapped children are concerned. Secondly, the cost of education for the handicapped children is so high, and the number of programs in the non-public sector for handicapped children so limited, that parents must rely on the public education system for their children. They therefore keep a close watch on the services provided for their children. This high level of parent and community involvement requires that the Division of Special Education be especially mindful of public opinion, responsive, and cooperative with its vocal constituency. It also requires that an accurate up-to-date accounting of program costs and pupils served be available for public scrutiny.

(2) Placement of Children in Programs for the Handicapped

Historically, certain handicapped children were considered too difficult, and too expensive to educate in public schools. Special programs were simply not provided for them. Either their parents found non-public educational facilities for them or they were left at home or in institutions; or they struggled along in a regular class. Many of these children were emotionally handicapped and difficult to deal with in a normal classroom situation. An order of the State Commissioner of Education, known as the Riley Reid Decision, reproduced in Appendix A, now makes it mandatory that an appropriate educational program be provided, at public expense, for every handicapped child regardless of his handicap.

This has resulted in a rapid increase in the number of children served by the Division of Special Education, and the addition of new programs to serve children who had either been out of school or were inappropriately served. How children are to be assigned to various special education programs is a highly charged issue.

Currently, nearly all special education programs are organized by handicap. The handicap designations by which children are assigned to these programs, such as mentally retarded, socially maladjusted, emotionally disturbed, or neurologically impaired, carry with them a variety of connotations. The question of how children become labeled as having a particular handicap, then assigned to a particular special education program, becomes important.

Referrals to special education are most often made by the regular school in which the child has been enrolled. Children whose handicap is thought to be mental retardation or emotional illness are referred to the Bureau of Child Guidance for evaluation.* Children whose problem is thought to be neurologically based, or a multiple problem are referred to the Evluation and Placement Unit. This process makes it possible for children to be pre-labeled at the time of referral, before clinical evaluation is actually made. Similar symptoms may be exhibited by children whose learning and behavorial problems have differing underlying causes, and this initial referral may weigh heavily on the fine label placed on the child. Children are referred for special education when the regular school does not feel it can deal with them effectively in a regular classroom program. Where they are referred is often the school's prerogative.

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* Previously children could be referred by a regular school to a special school for socially maladjusted-emotionally disturbed children without a clinical evaluation and certification of handicap. All children must now be clinically evaluated before they are placed in these schools. Children placed in the program before this policy was enforced are still in the process of being examined and evaluated by the Bureau of Child Guidance clinicians.

The present fragmented system of evaluation lends itself to possible overlay and duplication. Children with similar symptoms may be placed in different programs depending on which channel of referral and evaluation has been made.

Children with similar symptoms can be placed in different handicapped programs. Thus minority children, when placed in classes by handicap label may be segragated from non-minority children. Having an accurate, centralized system for maintaining and providing readily available, standardized information on pupils can assist in obtaining a proper evaluation and placement of a pupil.

The very practice of separating children strictly by handicap has come into question in pedagogical circles. Many educators, including the State Education Department, feel that as many children as possible should be mainstreamed, that is, integrated into classes with normal children, but given supportive services to help them cope with their special difficulties. Another trend is to group handicapped children not by their handicaps but by their learning needs. The implementation of either one of these ideas is to some degree inhibited by the reporting requirements for State funding, which provide funding by handicap, and require an accounting of pupils and program costs according to the handicap designations established by the State.

(3) Funding of Education for the Handicapped

The single most important source of funding for special education programs, other than tax levy funds which provide the bulk of the funding, is State aid. The State apportions aid for education by a formula based on the pupil population, per pupil property valuation, and attendance. Until fiscal year 1974-75, the same amount of money was apportioned by the State for handicapped students as for non-handicapped students. Chapter 241 of the State Education Laws of 1974 provides an extra apportionment for handicapped children in recognition of the greater cost of their education.

Students classified as non-severely handicapped receive a double weighting in the formula which generates State aid, and a lump sum ($2,080 in 1974-75) is allocated for each student classified as severely handicapped. "Special Educational Needs" aid is available for pupils deficient in reading and math. The provisions in Chapter 241 have significantly increased the percentage of the special education budget which comes from State aid. Exhibit I shows the level of State aid funding for 1974-75 and 1975-76.

For the purposes of determining which children are eligible for the additional aid, the State has developed definitions of handicaps by which all children in special education programs must now be classified. These definitions are often based on the type and amount of special education services given as well as a clinical description of the disability. (See Appendix B for the definitions of handicaps as given in Chapter 241 of the State Education Law). This limits the flexibility of the Division in experimenting with different modes of service delivery, if State aid is to be maximized.

Even the additional apportionment for handicapped children under Chapter 241 does not begin to account for the additional cost of educating handicapped children as opposed to non-handicapped children. However, the bookkeeping and reporting which must be done to generate these funds, and to account for the expenditure of the funds once allocated, require sophisticated pupil information and cost accounting systems. Where State aid classifications and the programmatic organization of the Division do not coincide, reporting requirements can create practical problems for the Division. For instance, Occupational Training Centers serve, in one building, mentally retarded children, who for State aid purposes must be reported in three different categories; educable mentally retarded (non-severe), trainable mentally retarded (severe) and multiply handicapped (severe). To generate State aid, each child attending must be identified and reported

EXHIBIT I

FUNDING FROM STATE AID
NET SUPPORT

	OPERATING AID*	SPECIAL EDUCATION NEEDS	HANDICAPPING AID FOR NON-SEVERE**	SPECIAL SERVICES AID FOR SEVERE	TOTAL
1974-75 (Est.)	10,342,809	935,414	10,906,081	19,730,128	41,914,432
1975-76 (Est.)	13,912,182	1,266,727	10,591,867	31,485,366	57,256,142

* INCLUDES AID FOR REGULAR PUPILS SERVED BY DIVISION OF SPECIAL EDUCATION AND PUPIL PERSONNEL SERVICES

** INCLUDES AID FOR HANDICAPPED PUPILS RECEIVING RESOURCE ROOM AND ITINERANT SERVICES by one of three categories. Also an audit trail must be maintained to show the amount actually spent for each category of children. This is difficult to do, given the capabilities of the present Board budgeting and accounting system, especially if teachers and programs service more than one handicap.

In addition to State aid, funding is available from the Federal government as shown in Exhibit 2 for 1974-75 and 1975-76. For the most part, this money takes the form of categorical grants for programs with specific purposes, in addition to the regular program. Specific funding proposals must be approved for each program. A small amount of Federal funding is also available for general aid purposes.

2. PROFILE OF POPULATION SERVED

During the last five years the number of children receiving special education services has been growing at a steadily increasing rate, (see Exhibit 3). From the 1970-71 school year to the 1971-72 school year, full-time special education population increased 5 percent. The increase from 1973-74 to 1974-75 was 19 percent, with an increase of 20 percent expected in 1975-76. Moreover, the proportion of children who are severely handicapped, and require more intensive and expensive special education programs has increased from 34 percent of the total handicapped population or 9,664 in 1970-71 to an expected 41 percent or 19,361 in 1975-76, as shown in Exhibit 4.

The four largest categories of handicaps served by the Division of Special Education are: the physically handicapped, the emotionally disturbed, the mentally retarded and the speech impaired. The physically handicapped category

EXHIBIT 2

FEDERAL FUNDING OF SPECIAL EDUCATION

	TITLE I	TITLE IV	TITLE VI	TITLE VII	VOCATION. EDUCATION ACT	TOTAL
1974-75	10,390,506	336,761	851,061	386,686	874,368	12,839,382
1975-76	11,538,890	176,218	4,884,693	563,480	853,741	18,017,022

TITLE I: FEDERAL ELEMENTARY AND SECONDARY EDUCATION ACT

TITLE IV: INNOVATIVE AND RESEARCH PROGRAMS (IN 1974-75 FUNDING CAME THROUGH IN TITLE III)

TITLE IV: EDUCATION OF THE HANDICAPPED ACT

TITLE VII: BILINGUAL EDUCATION

EXHIBIT 3

SPECIAL EDUCATION PEAK ENROLLMENT HISTORY[1]

	1970-71	1971-72	1972-73	1973-74	1974-75	1975-76[2]
PHYSICALLY HANDICAPPED	7,950	8,603	9,111	9,869	11,240	13,147
RETARDED MENTAL DEVELOPMENT	12,833	12,856	12,903	13,169	12,721	14,079
SOCIALLY MALADJUSTED AND EMOTIONALLY DISTURBED	5,592	6,589	6,900	8,629	12,598	15,748
HEARING HANDICAPPED	780	816	845	878	1,388	1,685
VISUALLY HANDICAPPED	710	382	382	237	281	258
NEUROLOGICALLY IMPAIRED EMOTIONALLY HANDICAPPED	0	0	0	0	403	1,500
MULTIPLY HANDICAPPED	0	125	127	128	143	280
OTHER	0	0	0	260	779	950
TOTAL	27,865	29,371	30,268	33,170	39,553	47,647

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1. PEAK MONTH FOR SPECIAL EDUCATION USUALLY OCCURS IN MAY OF EACH YEAR. PUPILS IN NON-PUBLIC SCHOOLS CONTRACTED UNDER 4404(2)(b) NOT INCLUDED

2. ESTIMATED PEAK FOR 1975-76

EXHIBIT 4

SPECIAL EDUCATION SEVERE HANDICAP PEAK[1] ENROLLMENT HISTORY

	1970-71	1971-72	1972-73	1973-74	1974-75	1975-76[2]
PHYSICALLY HANDICAPPED	649	660	735	789	948	1,270
RETARDED MENTAL DEVELOPMENT	2,440	2,684	2,840	3,068	3,764	4,360
SOCIALLY MALADJUSTED AND EMOTIONALLY DISTURBED	5,085	5,641	5,907	5,945	7,526	9,098
HEARING HANDICAPPED	780	816	845	878	1,349	1,645
VISUALLY HANDICAPPED	710	382	382	237	281	258
NEUROLOGICALLY IMPAIRED EMOTIONALLY HANDICAPPED	0	0	0	0	403	1,500
MULTIPLY HANDICAPPED	0	125	127	128	143	280
OTHER	0	0	0	0	779	950
TOTAL	9,664	10,308	10,836	11,045	15,193	19,361

[1] PEAK MONTH FOR SPECIAL EDUCATION USUALLY OCCURS IN MAY OF EACH YEAR

[2] ESTIMATED PEAK FOR 1975-76

EXHIBIT 5

SPECIAL EDUCATION ITINERANT AND RESOURCE PEAK ENROLLMENT HISTORY[1]

	1970-71	1971-72	1972-73	1973-74	1974-75	1975-76[2]
SPEECH	51,809	54,675	49,320	49,460	74,276	58,676[3]
VISUALLY HANDICAPPED	245	700	700	721	1,432	1,440
HEARING HANDICAPPED	860	704	704	746	855	1,129
SOCIALLY MALADJUSTED EMOTIONALLY DISTURBED	0	0	0	0	132	140
TOTAL	52,914	56,079	50,724	50,927	76,695	61,345

[1] PEAK MONTH FOR SPECIAL EDUCATION USUALLY OCCURS IN MAY OF EACH YEAR

[2] ESTIMATED PEAK FOR 1975-76

[3] LOSS OF 78 TEACHERS IN 1975-76 BUDGET CRISIS RESULTED IN A LOWER ESTIMATED NUMBER OF PUPILS WHICH DSEPPS IS CAPABLE OF SERVING

includes children who are deaf, blind, orthopedically handicapped or brain injured. The emotionally disturbed category includes many children, previously called socially maladjusted, who have behavioral problems, and have often been expelled or suspended from regular classes because of these problems. Also in this category are children in programs for narcotic addicts, inmates of correctional institutions and detention centers, children in homes for the neglected and dependent, children in psychiatric hospitals and residential and day treatment programs for the emotionally disturbed. For children who live in these institutions, for whom it is impractical to attend special classes at regular schools, the Division provides teachers in schools established at the institutions.

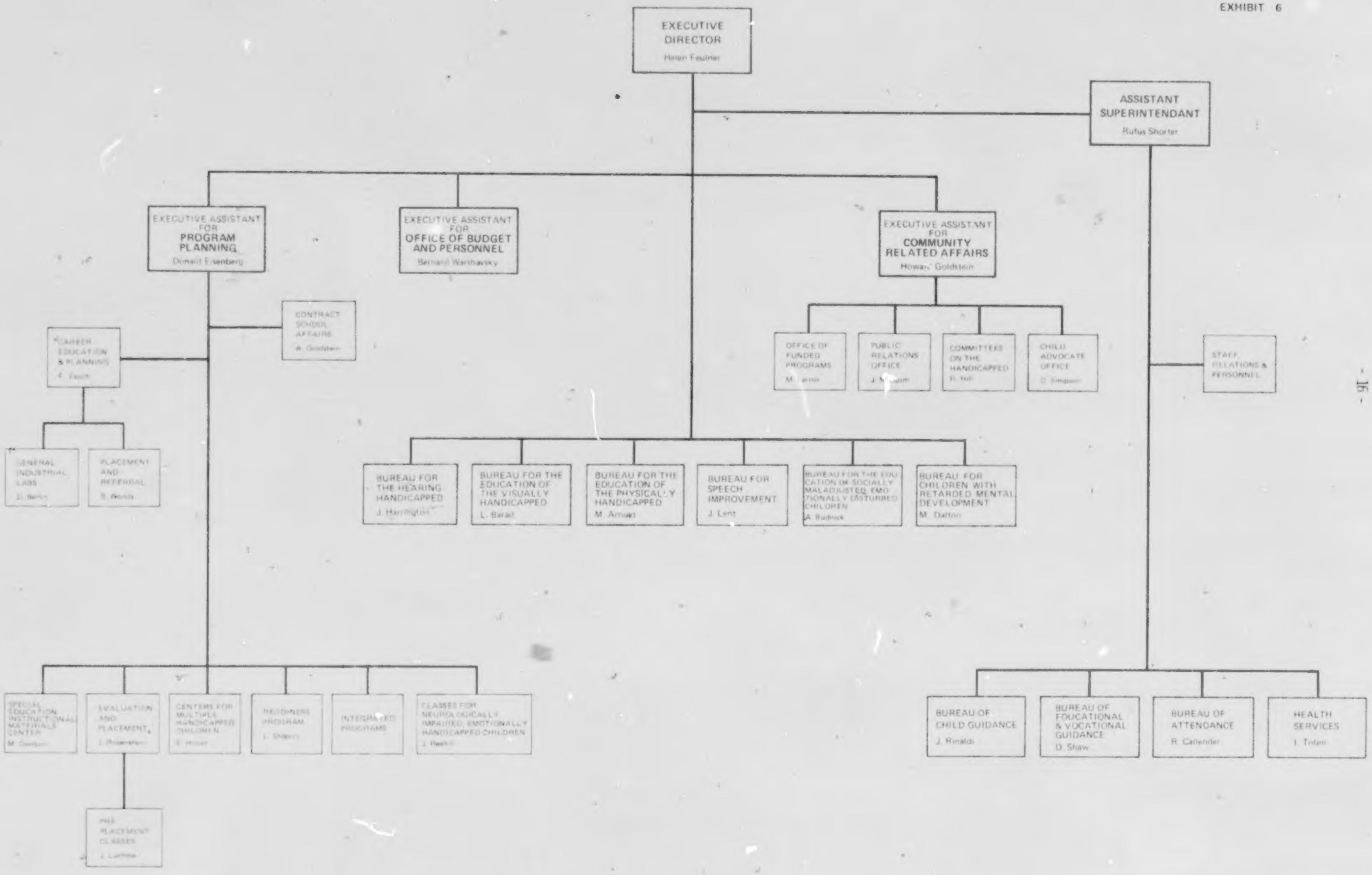
Many children have more than one handicap, and require special education services to overcome multiple disabilities. Recently the greatest expansion in the need for services has been in the categories of emotionally disturbed, neurologically impaired, and neurologically impaired-emotionally handicapped. The great increase in the number of pupils in these categories is due not so much to a sudden increase in the number of children who suffer from these disabilities, but to the Riley Reid Decision. Children have now been included in special education programs whose disabilities were unidentified or not properly identified, or who were unserved, or not properly served previously. A number of severely handicapped children have been added to the programs for the mentally retarded who were previously either residents of State institutions or had been considered too severely handicapped to attend public schools.

3. DSEPPS ORGANIZATION PROFILE

The Division of Special Education and Pupil Personnel Services is an organization in transition. A chart of the current organization is shown in Exhibit 6. Many of its problems can be traced to the past and present organizational structure of the Division which has been effected by the

DIVISION OF SPECIAL EDUCATION AND PUPIL PERSONNEL SERVICES
ORGANIZATION NOVEMBER 1975

EXHIBIT 6


EXECUTIVE DIRECTOR
Helen Feulner
ASSISTANT SUPERINTENDANT
Rufus Shorter
EXECUTIVE ASSISTANT FOR PROGRAM PLANNING
Donald Eisenberg
EXECUTIVE ASSISTANT FOR OFFICE OF BUDGET AND PERSONNEL
Bernard Warshavsky
EXECUTIVE ASSISTANT FOR COMMUNITY RELATED AFFAIRS
Howard Goldstein
CONTRACT SCHOOL AFFAIRS
A. Goldstein
CAREER EDUCATION & PLANNING
GENERAL INDUSTRIAL LABS
PLACEMENT AND REFERRAL
OFFICE OF FUNDED PROGRAMS
PUBLIC RELATIONS OFFICE
COMMITTEES ON THE HANDICAPPED
R. Hill
CHILD ADVOCATE OFFICE
D. Simpson
STAFF RELATIONS & PERSONNEL
BUREAU FOR THE HEARING HANDICAPPED
J. Harrington
BUREAU FOR THE EDUCATION OF THE VISUALLY HANDICAPPED
L. Barad
BUREAU FOR THE EDUCATION OF THE PHYSICALLY HANDICAPPED
M. Amwat
BUREAU FOR SPEECH IMPROVEMENT
J. Lent
BUREAU FOR THE EDUCATION OF SOCIALLY MALADJUSTED, EMOTIONALLY DISTURBED CHILDREN
A. Rudnick
BUREAU FOR CHILDREN WITH RETARDED MENTAL DEVELOPMENT
M. Dalton
SPECIAL EDUCATION INSTRUCTIONAL MATERIALS CENTER
EVALUATION AND PLACEMENT
CENTERS FOR MULTIPLE HANDICAPPED CHILDREN
READINESS PROGRAM
INTEGRATED PROGRAMS
CLASSES FOR NEUROLOGICALLY IMPAIRED, EMOTIONALLY HANDICAPPED CHILDREN
PRE PLACEMENT CLASSES
BUREAU OF CHILD GUIDANCE
J. Rinaldi
BUREAU OF EDUCATIONAL & VOCATIONAL GUIDANCE
D. Shaw
BUREAU OF ATTENDANCE
R. Callender
HEALTH SERVICES
I. Tolan

rapid changes it is undergoing, and its relationship with other entities both within the Board of Education and outside the Board. Steps have been taken and are being taken within the Division to institute organizational changes which will alleviate some of these problems, but there is, as in any established institution, some lag between the time an organizational change is instituted, and the time its programmatic effect is fully realized. Other problems are inherent in relationships between the Division and other organizations, which DSEPPS, by itself, cannot change.

(1) Internal Organization Problems

The greatest number of DSEPPS organizational problems can be attributed to "growing pains". The growth of the special education pupil population over the last few years has produced many problems stemming not only from the growth in size of the programs, but also from a diversification of the kinds of special education programs offered. Two factors have contributed to the diversification of the programs.

First, for many of the new students entering as a result of the Riley Reid Decision, there had previously been no appropriate special education programs, so new programs had to be organized. A particular case in point are the A and B Center Classes for emotionally disturbed children which were begun in 1972 and had a total registration of 3822 by June 1975.

Secondly, because of the development of more sophisticated diagnostic techniques, and a more sophisticated understanding of the nature of certain disabilities, educators are able to differentiate more precisely among the special needs of handicapped children. Thus an increased variety of instructional programs has been developing. For example, some children who would previously have been labeled retarded, are now known to be of normal intelligence, but suffering from neurological impairments which make it difficult for them to learn when taught by ordinary classroom methods. These children require a specialized education program. Similarly, it is recognized more often than in the past that many children have not just one handicapping condition but several. This is not only the result of better diagnostic techniques, but of the advances of medical science which have allowed many disabled children, especially those with birth defects who might otherwise have died, to survive. These children require individualized instructional programs. In some cases, however, competition has developed among Bureaus and programs over the question of which program should have jurisdiction over the instruction of certain multiply handicapped children. Another internal jurisdictional problem has to do with the evaluation and diagnosis of handicapped children. Originally, this function was carried out by the Bureau of Child Guidance, which also provides social work, psychological and psychiatric clinical services to handicapped children and to non-handicapped children in the regular grades. Faced with a very large number of children referred to Special Education for diagnosis after the Riley Reid Decision, the Division expanded the Evaluation and Placement Unit, which had been set up initially in 1971 to deal with brain-injured and aphasic children whom the Bureau of Child Guidance has no authority to place. Generally, children thought to be mentally retarded or emotionally disturbed are now sent to the Bureau of Child Guidance for evaluation; and children with neurological impairments, language difficulties or multiple handicaps are sent to the Evaluation and Placement Unit. Other avenues for placement in special education programs are outlined elsewhere in this report. Because there is no single gate through which all children must pass before entering a special education program, children must, in effect, be pre-diagnosed before they can be sent to a diagnostic unit. This fragmentation of authority for placing children also makes it difficult to maintain an accurate estimate of the number of children expected to be entering the various programs.

DSEPPS provides instruction to handicapped children in four major modes: Special classes, resource and itinerant services, and special schools, Throughout the history of special education in the public schools in New York City, the administration of Special Schools has been alternately separated from and combined with the administration of special classes in District schools and resource and itinerant services under the Special Education Bureaus. For a period of three and one-half years before the present Division of Special Education and Pupil Personnel Services was organized, less than two years ago, the Special Schools, as District 75, functioned separately from the special education Bureaus. A period of adjustment has been necessary to replace the vestiges of this division of services with a system in which special classes, special schools, and resource and itinerant form a single integrated service program.

(2) External Organizational Problems

Several problems result from the fact that most special education classes are located in schools in the Community School Districts. Teachers whose special education classes are located in District Schools must respond to dual supervision. The local school principal completes their rating forms and supervises them on a day to day basis, but they are also supervised by their special education supervisors. Ideally, the special education supervisor and the school principal work together well, but in some cases their goals may conflict. In most schools, a principal will have to deal with more than one special education supervisor, because more than one kind of special class is being offered in the school, and each different handicap program in the school reports to a different supervisor located in a separate Bureau of DSEPPS.

A second problem, both for the principal of the District school and for the special education teachers and supervisors is the integration of programs for handicapped children into the routine of the regular classes. Some District principals may see the special needs of handicapped children as conflicting with those of the non-handicapped students. The degree to which programs for the handicapped are integrated with programs for non-handicapped students varies greatly from school to school.

Districts frequently use their discretion in granting the right of the Division of Special Education to hold classes in their buildings. When special classes are located in a District school, the principal must assume extra responsibilities for teachers and students which he often may not consider to be "his own", since many of the handicapped students may come from another school zone or District. The District schools are responsible for lunches, discipline, attendance reporting, and plant maintenance for special education classes in their buildings. Many principals are reluctant to take on the added burden. Some District School Boards do not like the idea of having certain handicapped children, especially emotionally disturbed or severely retarded children, attending classes in their buildings. Additionally, schools are often reluctant to relinquish extra classroom space, which they like to reserve for special purposes.

Another focus of major programmatic and reporting problems that arise from external organizational relationships is the Bureau of Child Guidance (BCG). The Bureau of Child Guidance is certified as a psychiatric out-patient facility by the New York State Department of Mental Hygiene. The bulk of operating funds are provided to the Board of Education by the New York State Department of Mental Hygiene and the New York City Department of Mental

Health and Mental Retardation. Thus the Bureau of Child Guidance must meet the standards of, and report to both of these agencies in addition to the Board of Education. This has lead to delays in the receipt of budget approvals required for the Bureau of Child Guidance, and resulting delays in the provision of BCG services.

The Division of Special Education is not the only institution in the City of New York which provides services to handicapped children. Various private schools and agencies also provide special education services. In most cases DSEPPS is also in some way involved with these services, even though it may have little control over them. There are certain non-public facilities such as homes for neglected and dependent children, and day and residential treatment facilities for emotionally disturbed children, in which DSEPPS provides teachers, but has no control over the placement of children in these programs. Additionally, the Division must, under State law, contract with non-public schools for the education of handicapped children which DSEPPS cannot place in public school, either because there is no room in the appropriate program, or because an appropriate program does not exist. There were approximately 1500 children found eligible to attend non-public schools on these grounds during the 1974-75 school year. In many cases, these schools do provide special services for handicapped children which the Board of Education is unable to provide. However, the Division of Special Education has no resources, aside from current limited staff, to review payment claims from the schools, or to verify exactly what special services, and what quality of service is actually provided by these schools. DSEPPS has no staff assigned for the inspection of the school facilities and the observation of their programs. Nor does the Division have full control over which children are accepted by these schools.

(3) Organization Modifications Taking Place or Planned in the Near Future

- Organizational changes have begun this school year to combine the diagnostic and evaluative functions of the Bureau of Child Guidance and the Evaluation Unit, with the aim of developing a single unit to perform these functions for the entire Division
- Consolidation of all programs for children with neurological impairments into a single unit
- The responsibility relationships for Health Services have been rather complex and ambiguous. School Health Services are located in the Bureau for Health and Physical Education which is part of the Division of Educational Planning and Support. However, School Health Services are the joint responsibility of the Department of Health and DSEPPS. The Director, therefore, reports to Dr. Feulner on some matters, to the Executive Director of Educational Planning and Support on others, and to the Department of Health on others.

4. DSEPPS BUDGET PROFILE

Along with the population served by the Division of Special Education and Pupil Personnel Services, the costs of special education have grown steadily over the past five years, as shown in Exhibit 7. Decreases in the real purchasing power of personal service dollars have, in part, contributed to the budget increase. Using 1970-71 as the base year and correcting for increases in personal service costs Exhibit 8 shows in 1975-76 that the real purchasing power of personal service dollars decreased to 71 percent of the purchasing power in 1970-71.

EXHIBIT 7

COST HISTORY OF SPECIAL EDUCATION [1]

BUDGET ITEM	1970-71	1971-72	1972-73	1973-74	1974-75	1975-76
PS AND OTPS	$ 77.7	$ 90.5	$106.8	$112.6	$172.1	$140.5
PENSION AND FRINGES[2]	15.7	9.1	11.0	13.6	16.3	18.8
TRANSPORTATION[3]	11.0	18.3	21.1	31.6	46.4	49.1
SCHOOL LUNCHES[4]	2.6	2.9	3.5	4.3	5.1	7.2
CUSTODIAL AND BUILDING MAINTENANCE[5]	3.1	3.2	3.7	4.4	5.9	7.4
TOTAL	$110.1	$124.0	$146.2	$167.5	$245.8	$223.0

1. COSTS (SHOWN IN MILLIONS OF DOLLARS) FOR SPECIAL EDUCATION WERE COMPILED BY CONSOLIDATING ALL BUDGETED ITEMS RELATING TO SPECIAL EDUCATION IN BUDGET PROGRAMS 4,5, 6, 14, 16, 30, 31. ADMINISTRATIVE COSTS OUTSIDE DSEPPS NOT INCLUDED

2. ESTIMATED FOR FISCAL YEARS 1970-71 TO 1973-74

3. ESTIMATED FOR FISCAL YEARS 1970-71 TO 1973-74

4. ESTIMATED FOR FISCAL YEARS 1970-71 TO 1975-76

5. COSTS OBTAINED BY DIVIDING TOTAL CUSTODIAL AND BUILDING MAINTENACE BUDGET BY ALL PUPILS SERVED IN SYSTEM. THE PER PUPIL COST WAS THEN MULTIPLIED BY THE DSEPPS PEAK FULL-TIME PUPIL REGISTER FOR THAT YEAR

EXHIBIT 8

REAL PURCHASING POWER DECREASES OF PERSONAL SERVICE DOLLARS

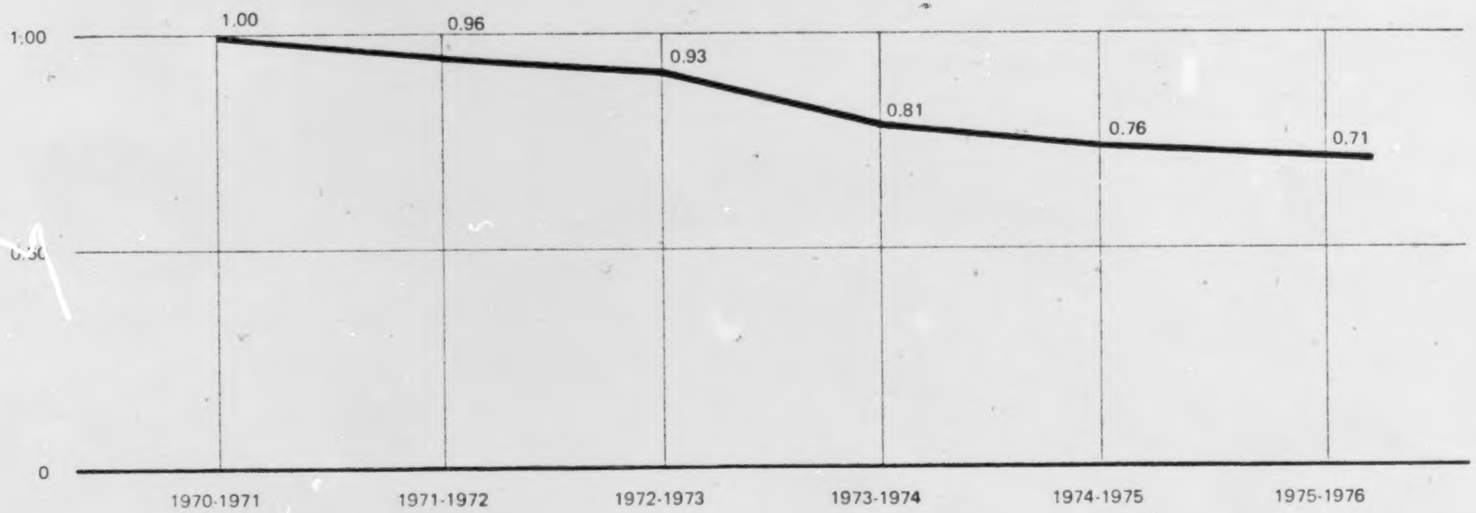


Exhibit 9 compares the percentage growth in the Special Education budget, corrected for increased personal service costs, to the growth in the population served. Exhibit 9 also shows the change in overall expenditures per student for the same years. As can be seen, until 1975-76, the budget grew at a greater rate than the number of pupils served. Several factors can explain a portion of this increased level of spending. For one thing, as noted above, the percentage of students who are severely handicapped, and therefore require more expensive services, has increased. Severely emotionally disturbed, neurologically impaired, and severely retarded children require very small class sizes, and intensive auxiliary and support services, and these are the categories which have shown the greatest growth. Many of the children now served were never served before in public schools, partially because of the great expense of educating them.

The budget for Special Education is divided among several different Board of Education budget programs **including:**

- Program 16: Division of Special Education and Pupil Personnel Services
- Program 31: Division of Community School District Affairs
- Program 14: Non-Public Schools
- Program 5: Division of High Schools
- Program 30: Community District Instruction and Administration
- Program 6: Division of School Buildings

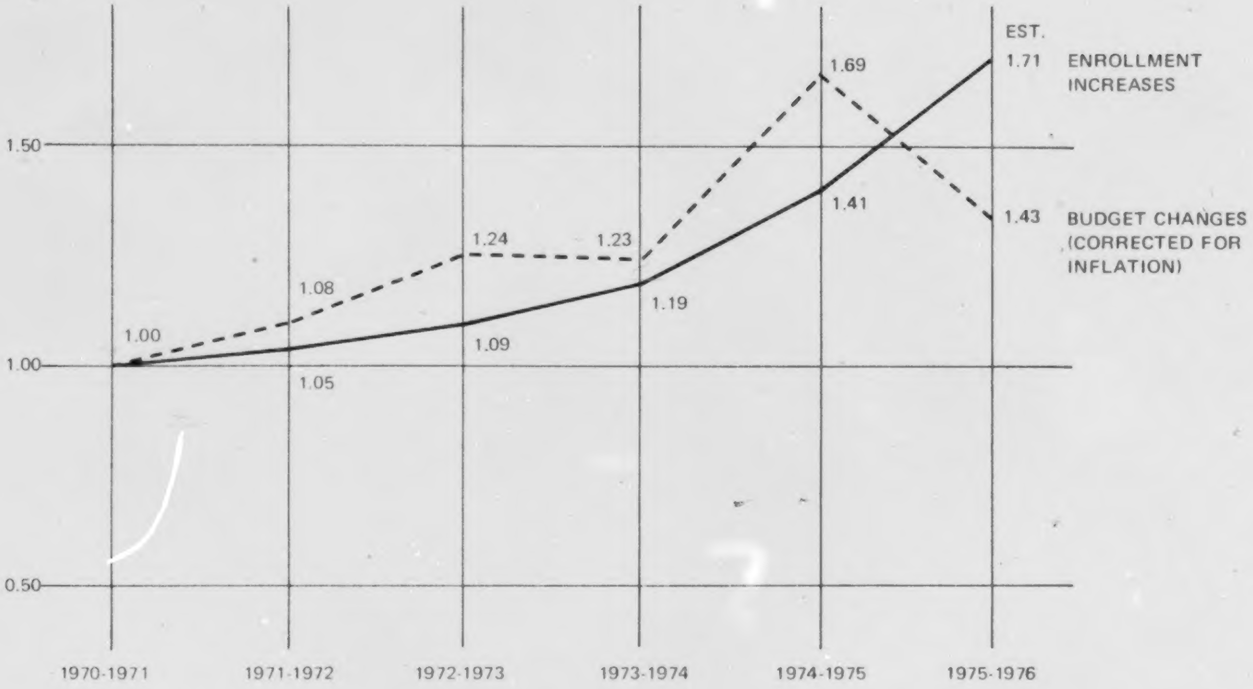
Exhibit 10 compares the Special Education budget by budget program for fiscal years 1974-75 and 1975-76. Exhibit 11 compares the budget by operating function for the same fiscal years.

Needed reforms in the DSEPPS budget organization, budget development process, and systems for controlling and accounting for expenditures have now become imperative. The following sections of this report deal with these organizational and procedural budget problems.

EXHIBIT 9

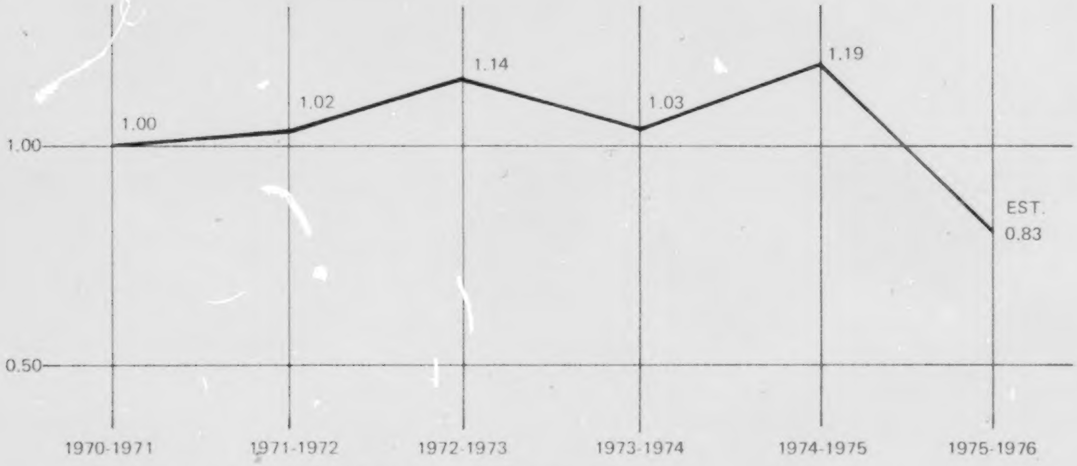
COMPARISON OF
BUDGET AND PUPILS
SERVED GROWTH

A. BUDGET AND ENROLLMENT INCREASES



SHOWN AS A PERCENTAGE OF 1970-1971 BUDGET AND ENROLLMENT

B. CHANGES IN RELATIVE EXPENDITURES PER STUDENT



SHOWN AS A PERCENTAGE OF 1970-1971 EXPENDITURES

EXHIBIT 10

SPECIAL EDUCATION BUDGET BY BUDGET PROGRAM

BUDGET PROGRAM	1974-75 As of EM 322	1975-76 As of EM 60
PROGRAM 16[1]	212,783,673	190,052,589
PROGRAM 31[2]	10,574,741	7,064,745
PROGRAM 14[3]	3,018,659	2,363,384
PROGRAM 5[4]	3,817,342	3,987,986
PROGRAM 30[5]	9,726,253	12,111,000
CUST. & BLDG. MAIN:[6]	5,907,913	7,425,785
SUB-TOTAL	245,828,581	223,005,489
PROGRAM 9	12,839,382	18,017,022
TOTAL	258,667,963	241,022,511

1. BUDGET PROGRAM FOR THE DIVISION OF SPECIAL EDUCATION AND PUPIL PERSONNEL SERVICES; INCLUDES FUNDING FROM THE DEPARTMENT OF MENTAL HEALTH FOR BUREAU OF CHILD GUIDANCE

2. BUREAU OF CHILD GUIDANCE SERVICES LOCATED IN DIVISION OF COMMUNITY SCHOOL DISTRICT AFFAIRS BUDGET PROGRAM

3. SPEECH AND ATTENDANCE SERVICES FOR NON-PUBLIC SCHOOLS

4. SPECIAL EDUCATION PROGRAMS AND SCHOOL LUNCHES IN THE DIVISION OF HIGH SCHOOLS BUDGET PROGRAM

5. SCHOOL LUNCHES IN THE COMMUNITY DISTRICT INSTRUCTION AND ADMINISTRATION BUDGET PROGRAM (estimated); PREPARATION COVERAGE PROVIDED BY DISTRICTS NOT INCLUDED

6. CUSTODIAL AND BUILDING MAINTENANCE COSTS FROM BUDGET PROGRAMS 5,6,30,31 PRORATED TO SPECIAL EDUCATION

7. FEDERAL REIMBURSABLE PROGRAMS

EXHIBIT II

SPECIAL EDUCATION BUDGET BY OPERATING PROGRAM

COST ITEMS	1974-75 As of EM 322	1975-76 As of EM 60
INSTRUCTIONAL SERVICES[1]	136,204,277	107,533,184
ADMINISTRATION[2]	12,753,397	8,162,915
SUPPORT SERVICES[3]	23,210,342	18,848,331
PENSION AND FRINGES[4]	16,268,106	18,760,717
TRANSPORTATION[5]	46,384,546	49,074,557
SCHOOL LUNCHES[6]	5,100,000	7,200,000
CUSTODIAL AND BLDG. MAIN.[7]	5,907,913	7,425,785
SUB-TOTAL	245,828,581	217,005,489
REIMBURSABLE PROGRAMS	12,839,382	18,017,022[8]
TOTAL	258,667,963	241,022,511

1. INCLUDES COSTS OF EDUCATING PUPILS UNDER 4404 (2) b OF THE STATE EDUCATION LAW AT $3,000,000.

2. COSTS OF ADMINISTRATION OUTSIDE DSEPPS EXCLUDED (I.E. PART OF CHANCELLOR'S SALARY)

3. INCLUDES FUNDING FROM THE DEPARTMENT OF MENTAL HEALTH FOR BUREAU OF CHILD GUIDANCE

4. DOES NOT INCLUDE PENSION AND FRINGES FOR REIMBURSABLE PROGRAMS

5. INCLUDES COSTS FOR TRANSPORTING BOTH PUBLIC AND NON-PUBLIC HANDICAPPED PUPILS

6. ESTIMATED COST

7. COSTS OBTAINED BY DIVIDING TOTAL CUSTODIAL AND BUILDING MAINTENANCE BUDGET BY ALL PUPILS SERVED IN SYSTEM. THE PER PUPIL COST WAS THEN MULTIPLIED BY THE DSEPPS PEAK FULL-TIME PUPIL REGISTER FOR THAT YEAR

8. INCLUDES $4,000,000 OF TITLE VI FUNDS AVAILABLE FOR EDUCATING PREVIOUSLY UNSERVED CHILDREN IN ALREADY ESTABLISHED PROGRAMS

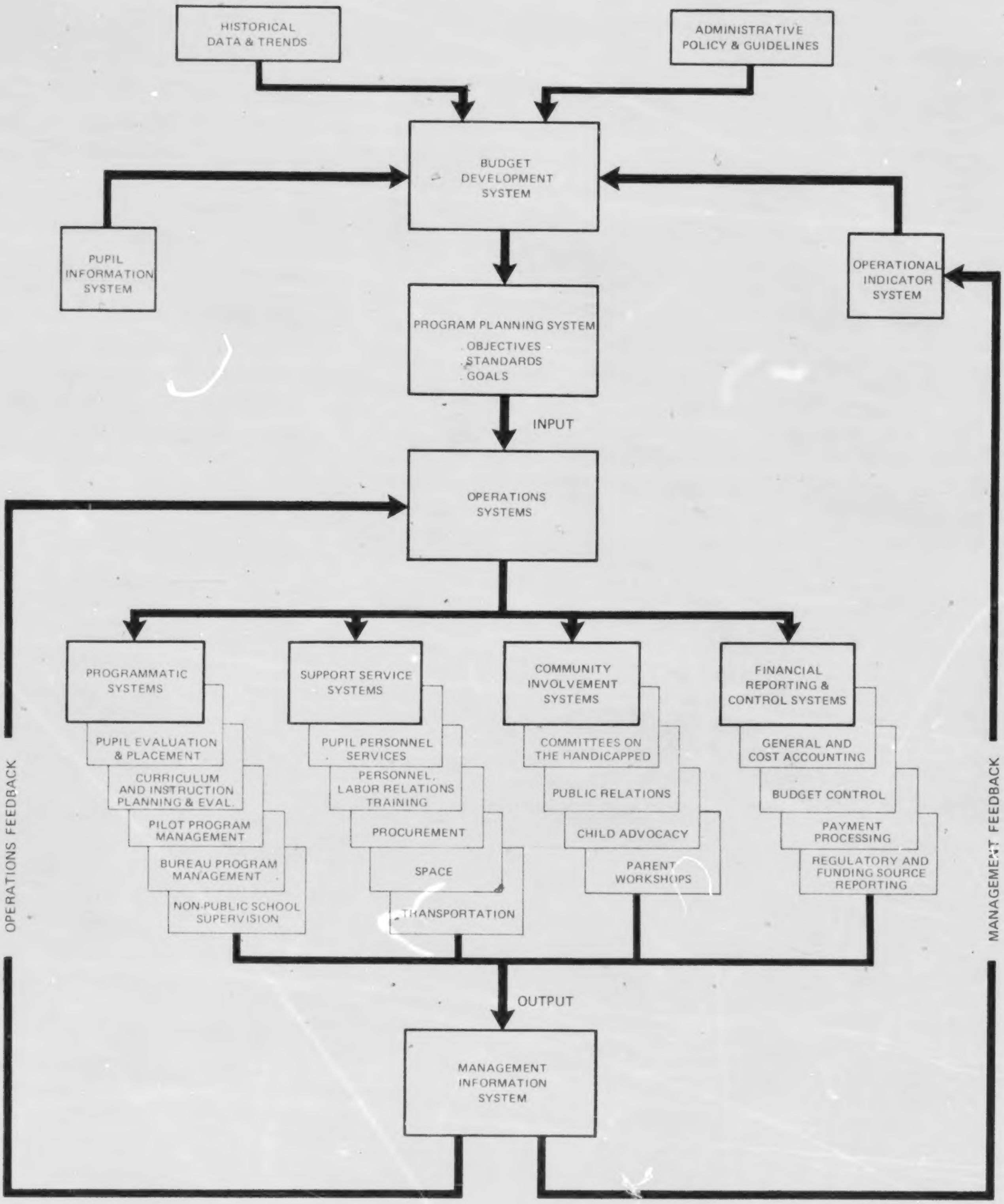
III. REVIEW OF OPERATIONS AND FINANCIAL REPORTING AND CONTROL IN DSEPPS

An operations and financial reporting and control system can be viewed both as a structure and a process. The structure includes the means of classifying information used in the system and techniques for collecting, summarizing, reporting, and analyzing this information. The process consists of activities such as planning, budgeting, operating and accounting, and reporting and evaluation. Exhibit 12 provides a graphic representation of how an operations and financial management reporting and control system ought to operate in DSEPPS. The intent of this conceptual design is to organize DSEPPS into distinct functional categories for the purpose of describing a cycle for the generation and reporting of financial as well as programmatic information. It also provides a frame of reference for discussing the findings and recommendations of this analysis. This chapter deals with findings and recommendations for the current DSEPPS control structure and process. Detailed analysis was conducted of all financial reporting and control systems. Analysis of other major systems areas was confined to specific aspects of these systems which had the greatest impact on the financial reporting and control. Subsequent chapters deal with the organizational structure and systems support needed in the DSEPPS to improve financial reporting and control.

In conducting the review of operations and financial reporting and control in DSEPPS it was necessary to analyze not only the business and finance systems encompassed within the Office of Budget and Personnel, but also to understand the total systems in DSEPPS, the inter and intra-Bureau program relationships and their impact on the DSEPPS Office of Budget and Personnel.

EXHIBIT 12

DSEPPS OPERATIONS AND
FINANCIAL MANAGEMENT REPORTING
AND CONTROL SYSTEM


HISTORICAL DATA & TRENDS
ADMINISTRATIVE POLICY & GUIDELINES
BUDGET DEVELOPMENT SYSTEM
PUPIL INFORMATION SYSTEM
OPERATIONAL INDICATOR SYSTEM
PROGRAM PLANNING SYSTEM
OBJECTIVES
STANDARDS
GOALS
INPUT
OPERATIONS SYSTEMS
PROGRAMMATIC SYSTEMS
PUPIL EVALUATION & PLACEMENT
CURRICULUM AND INSTRUCTION PLANNING & EVAL.
PILOT PROGRAM MANAGEMENT
BUREAU PROGRAM MANAGEMENT
NON-PUBLIC SCHOOL SUPERVISION
SUPPORT SERVICE SYSTEMS
PUPIL PERSONNEL SERVICES
PERSONNEL, LABOR RELATIONS TRAINING
PROCUREMENT
SPACE
TRANSPORTATION
COMMUNITY INVOLVEMENT SYSTEMS
COMMITTEES ON THE HANDICAPPED
PUBLIC RELATIONS
CHILD ADVOCACY
PARENT WORKSHOPS
FINANCIAL REPORTING & CONTROL SYSTEMS
GENERAL AND COST ACCOUNTING
BUDGET CONTROL
PAYMENT PROCESSING
REGULATORY AND FUNDING SOURCE REPORTING
OPERATIONS FEEDBACK
MANAGEMENT FEEDBACK
OUTPUT
MANAGEMENT INFORMATION SYSTEM

In the pages that follow, a summary review is made of the following major systems:

- Pupil information system
- Budget development system including structure of Program 16 budget
- General and cost accounting system
- Budget control system
- Payment processing system
- Regulatory and funding source reporting
- Space and transportation information system
- Pupil evaluation and placement system
- Bureau program management system
- Non-public school supervision system

A summary of major recommendations of the analysis and a strategy for implementing these recommensations is as follows:

- A conceptual plan should be developed by DSEPPS with Project Management Unit staff, describing in detail, with this report as a basis, the business management responsibilities of DSEPPS at the Division and Bureau level and a strategy for meeting these responsibilities
- The organization and staffing requirements needed to fulfill the business management responsibilities should be identified and implemented by DSEPPS and Project Management Unit staff, also using the recommendations of this report as the basis
- A budget analysis capability and improved financial systems should be implemented in the Division Office of Budget and Personnel by DSEPPS and Project Management Unit staff
- When the new business management organizational requirements have been implemented DSEPPS should:
  - Establish an interim manual system for collecting and analyzing key data requirements necessary for DSEPPS and the Committees on the Handicapped

- Establish a central filing system for maintaining pupil evaluation and placement information

- Establish a space and transportation planning and expediting capability in DSEPPS

- In conjunction with Project Management Unit staff, develop and implement a plan for supervision of non-public contract schools in the areas of:

  - Certifying pupils for placement

  - Processing 4404 (2) (b) and 4403 applications

  - Evaluating non-public school educational programs

  - Auditing non-public school financial records

  - Processing payments to non-public schools

  - Processing claims for reimbursement

DSEPPS personnel have been aware of many of the findings and recommendations of this analysis but have been constrained, through lack of appropriate analytical and management services staff, historical and political precedents, and the enormous program growth over the past two years from taking total action required on these organization and procedural problems. Many of the recommendations included have been proposed by DSEPPS personnel, and in conjunction with the Project Management Unit staff, these recommendations are now being implemented.

1. PUPIL INFORMATION REQUIRED CENTRALLY AS THE BASIC INPUT FOR GOVERNMENTAL REPORTING AND INTERNAL MANAGEMENT CONTROL AND PLANNING IS NOT READILY AVAILABLE IN A FORM USEFUL TO TOP MANAGEMENT.

(1) Findings

- Pupil, personnel and other data required for both budgeting and programmatic purposes is available at the local level (schools, Bureau of Child Guidance Centers, itinerant teacher files) but these information sources are not systematically tapped for information required centrally

- The quantity and type of pupil and personnel information collected and maintained at the Bureau level varies according to the operating style and demands of individual Bureau or program directors and resources available to that unit

- The communication of pertinent data from one DSEPPS organizational unit to another is limited, for example, waiting list information

- Organizational ties should be strengthened and information needs defined to facilitate the flow of information upward in the organization. This is particularly true in:

    · The evaluation and placement system in DSEPPS is fragmented throughout the organization. This causes difficulty in consolidating evaluation and placement data on pupils.

(2) Action Taken to date

- A computerized pupil data bank has been in operation for more than two years in the Bureau for Children with Retarded Mental Development with records on 12,721 pupils

- By January 1976, 9,352 physically handicapped and home instruction pupils will be added to the data base. Combined with retarded mental development children, this represents 56 percent of the pupils in DSEPPS receiving full-time services at an estimated annual maintenance cost of approximately $108,359 as shown in Exhibit 13

- In many cases where the information is available on computer only part of the information required is available or the level of detail is not adequate. In cases where the information is available manually it is only available at the local school level

- Exhibit 14 identifies the current availability of major categories of data required for both DSEPPS internal management and reporting to external entities.

(3) Recommendations

- Data collection and analysis procedures and organizational responsibility for conducting these functions should be established and formalized at the Division level and within each Bureau so that data can be transferred in a useful form through the organization.

- A Division-wide pupil information system similar to the system now operating in the Bureau for Children with Retarded Mental Development, should be designed and implemented. The following sections of this report go on to identify specific DSEPPS information needs and alternatives for meeting these needs.

EXHIBIT 13

BCRMD PUPIL DATA BANK
ANNUAL MAINTENANCE COSTS

PERSONAL SERVICE

TITLE	SALARY	NUMBER OF STAFF	ANNUAL COST
SUPERVISOR	$ 25,000	1/3	$ 8,333
COMPUTER SYSTEMS ANALYST	16,000	1	16,000
TEACHER TRAINER	12,000	1	12,000
SUPERVISING CLERK	9,600	1	9,600
SENIOR CLERK	8,350	2	16,700
CLERK	6,825	1	6,825
			$ 69,458
FRINGE BENEFITS (29 75%)			20,351
	SUB-TOTAL		$ 89,809

OTHER THAN PERSONAL SERVICES

DESCRIPTION	ANNUAL COST
COMPUTER TIME	$ 10,000
DATA PROC. EQUIP. RENT. (key punch, pooling device)	5,000
COMPUTER SUPPLIES (cards, paper)	4,000
MISCELLANEOUS (telephone, office supplies and equip.)	600
SUB-TOTAL	$ 19,600
TOTAL PS AND OTPS	$109,409

EXHIBIT 14

AVAILABILITY OF DSEPPS DATA REQUIREMENTS

DATA		COMPUTER AVAILABILITY	MANUAL AVAILABILITY
PUPIL	Handicapping Condition	- OES PAR report Div. Wide - DSEPPS Data Bank for CRMD and BEPH	- Files maintained at school, bureau and central HQ
	Attendance/Register	- OES PAR report Div. Wide - Register on DSEPPS Data bank for CRMD, BEPH	- Some bureaus have attendance submitt to bureau by teacher
	Pupil Vital Statistics	- DSEPPS Data Bank for CRMD and BEPH - OES Ethnic Census Report Div. wide	- Files sometimes maintained in and/or bureaus for all other bureaus
	Test Data	- DSEPPS Data Bank for CRMD and BEPH	- All other bureaus may maintain files at bureau and/or school level
	Evaluation Waiting list	- DSEPPS Data Bank for CRMD and BEPH but only recorded at time student referred to Bureau from BCG or E and P	- E and P maintains file for all but CRMD and SMED - BCG maintains partial list for CRMD & SMED
	Admission/Discharge	- DSEPPS Data Bank for CRMD and BEPH	- All others sometimes maintain files in school and/or bureau
	Transportation	- DSEPPS Data Bank for CRMD and BEPH	- All other sometimes maintain files in school and/or bureau
PERSONNEL	Work Description	- Teacher Payroll report maintains information in limited detail - AB report in limited detail	- Maintained partially at bureau and central HQ level
	Location	- All Payroll reports	
	Salary	- All Payroll reports - AB report	
	Vital Statistics		- Central Board Personnel and/or school and bureau files
OTPS	Item	- AB report	- Central division files and sometimes in bureau files
CLASSES	Classes	- DSEPPS Data Bank for CRMD and BEPH	- Central division files and sometimes bureau files .

GLOSSARY

OES	OFFICE OF EDUCATIONAL STATISTICS
PAR	PERIOD ATTENDANCE REPORT
AB REPORT	BOARD-WIDE ACCOUNTING SYSTEM REPORT
BCG	BUREAU OF CHILD GUIDANCE
CRMD	BUREAU OF CHILD. RETARD MENT. DEVEL.
BEPH	BUREAU FOR EDUC. OF PHY. HAND.
E & P	EVALUATION AND PLACEMENT UNITS
SMED	SCHOOLS FOR MENTALLY AND EMOT. DIST.

- Codes on existing Board pupil information systems should be expanded to identify pupils by handicapping conditions in each of the following computer output reports:

  . Office of Educational Statistics "Period Attendance Report"

  . Bureau of Attendance "Admission/Discharge Report"

  . Office of Educational Statistics "Promotion Report"

  . Office of Educational Evaluation "Test Report"

2. UNIFORM INTERNAL DSEPPS BUDGET PROCEDURES AND STANDARDS DO NOT EXIST FOR DETERMINING RESOURCE NEEDS, CONDUCTING BUDGET ANALYSIS AND ALLOCATING RESOURCES.

(1) Findings

- Budget back-up documentation submitted by the Bureaus has not been adequate to support their budget requests. Although the Bureaus present budget requests in the format required by the Board of Education Budget Office, this presentation has not been adequate for internal DSEPPS purposes as specific items of information such as enrollment projections, including attrition and waiting list data; staffing standards utilized; breakdown of teachers by function, including classroom and resource, itinerant, unit or coverage, auxiliary or support, were not requested prior to 1975 when the Division began to institute its own budget justification procedures

- Each Bureau may have a unique definition of a staffing standard or productivity measure which should be common to all Bureaus. For instance, the point at which a child is considered part of a waiting list varies by Bureau as does the point at which a child is considered to be enrolled in a program. This results in lack of uniformity in budget presentations and an inaccurate picture of resource needs

- As a result of this lack of adequate and uniform documentation, much time is spent by the DSEPPS Office of Budget and Personnel recomputing resource needs after the Bureaus have submitted their budget. This is necessary to adequately conduct analysis of budget requests, to justify requests to the Board and City, to prepare impact statements of budget appropriations, and to properly allocate these appropriations

- Due to lack of data and appropriate analytical staff much of the analysis undertaken in the DSEPPS Office of Budget and Personnel relies primarily on past experience and personal knowledge of programs. A more sophisticated quantitative approach is necessary

(2) Action Taken To Date

- Guidelines for preparation and standards for documentation of budget requests are needed and have been developed on a preliminary basis for use in the preparation of the 1976-77 budget:

  . Class size and staffing ratios are being formalized

  . Standard needs assessment format has been developed for justification of requests to include required statistical documentation, back-up and analysis

(3) Recommendations

- Procedures for rigorous DSEPPS centralized analysis of Bureau and program budget requests should be established

- A standardized nomenclature should be established for budgetary terms and uniform definitions of programmatic terms utilized as the basis for budget presentations

3. PROGRAM 16 DSEPPS BUDGET DOES NOT REFLECT DIVISION ORGANIZATION OR PROGRAM STRUCTURE.

(1) Findings

- In previous years it has been difficult to review and evaluate the costs of special education because of the fragmentation of the DSEPPS budget. Until 1974-75, the special education budget appeared variously in Program 5 (Division of High Schools), Program 31 (Community School District Affairs), Program 4 (Division of Educational Planning and Support), Program 14 (Non-Public Schools), and Program 30 (Community School Districts). As of 1974-75, most budget lines attributable to special education programs were consolidated into Program 16

- Certain Division of Special Education budget lines still remain in other budget programs. Non-public school speech programs and Bureau of Attendance programs remain in Program 14. A few teaching lines appear in Program 5, and some Bureau of Child Guidance funds come from Program 31. Funds for school lunches for handicapped children appear in the budgets for Community School Districts and the High Schools, and funds to cover the cost of preparation coverage for special education classes are also contained in the Community School District's budget.

- Even if one could consolidate all budgeted items applicable to the Division of Special Education, it has then been difficult to analyze the budget by DSEPPS program, because the organization of Program 16 has not reflected the organization of the Division. Some instructional programs utilize positions, not identifiable with that program, from several budget function numbers and some function numbers contain many programs:

  - This has made it nearly impossible to control and analyze the budget and expenditures as they apply to instructional and service programs for specific handicaps because top management of programs cannot be held accountable to a specific budget appropriation for their program

  - The way in which the budget is currently organized creates an added burden for DSEPPS budget staff because they must manually maintain budget records by organization and program for both DSEPPS and external users of information, and translate to the formal program 16 for official Board and City budget and accounting records

(2) Action Taken to Date

- A new organization for the DSEPPS budget has been developed which will reflect the internal organization of DSEPPS as shown in Exhibit 15

- One major function number will be assigned to each Bureau or major program unit. These will appear in the formal budget

- Internal function numbers which will appear on the Board of Education computerized accounting system (AB system) have been assigned to instructional programs, by handicap, and reflect actual functional assignments within the Bureaus

EXHIBIT 15 (1)

PROGRAM 16 BUDGET
REORGANIZATION

Division of Special Education and Pupil Personnel Services - Administration

Bureau for the Education of the Physically Handicapped

- Bureau for the Education of the Physically Handicapped - Administration
- Health Conservation Classes - non-severe
- Health Conservation 20 Classes - severe
- Health Conservation 30 Classes - non-severe
- School for Career Development - severe
- Home Instruction for the Physically Handicapped - severe
- Home Instruction for the Emotionally Handicapped - severe
- Home Instruction - regular
- Hospital Schools - severe
- Schools for Pregnant Girls - regular
- Teachers of the Physically Handicapped with Special Needs

Bureau for Children with Retarded Mental Development

- Bureau for Children with Retarded Mental Development - Administration
- Classes for the Educable Mentally Retarded - non-severe
- Classes for the Trainable Mentally Retarded - severe
- Track IV Classes - severe
- Classes for the Muliply Handicapped Retarded - severe
- Occupational Training Centers: Educable Mentally Retarded - non-severe
- Occupational Training Centers: Trainable Mentally Retarded - severe
- Occupational Training Centers: Multiply Handicapped Retarded - severe
- Teacher of the Mentally Retarded with Special Needs

Bureau for the Socially Maladjusted/Emotionally Disturbed

- Bureau for the Socially Maladjusted/Emotionally Disturbed - Administration
- B Center Classes for the Emotionally Disturbed - non-severe
- A Center Classes for the Emotionally Disturbed - severe
- Day Schools for the Emotionally Disturbed - non-severe
- Day Schools for the Emotionally Disturbed - severe
- Cluster Schools for the Emotionally Disturbed - non-severe
- Cluster Schools for the Emotionally Disturbed - severe
- Teachers of the Emotionally Disturbed with Special Needs

Bureau for the Education of the Visually Handicapped

- Bureau for the Education of the Visually Handicapped - Administration
- Classes for the Blind and Visually Impaired - non-severe
- Classes for the Multiply Handicapped Blind and Visually Impaired - severe
- Resource Rooms for the Blind and Visually Limited - non-severe
- Itinerant Services for the Blind and Visually Limited - non-severe
- Teachers of the Visually Handicapped with Special Needs

EXHIBIT 15 (2)

PROGRAM 16 BUDGET
REORGANIZATION

Bureau for the Education of the Hearing Handicapped

Bureau for the Education of the Hearing Handicapped - Administration
School for the Deaf: deaf only - severe
School for the Deaf: multiply handicapped deaf - severe
School for the Language and Hearing Impaired - severe
High School Classes for the Hearing Handicapped - severe
Work Study Program for the Hearing Handicapped - severe
Resource Rooms for the Hearing Handicapped - severe
Itinerant Services for the Hearing Handicapped - non-severe
Itinerant Services for the Hearing Handicapped - severe

Bureau for Speech Improvement

Bureau for Speech Improvement - Administration
Speech Centers - non-severe
Intinerant Speech Services

Evaluation and Placement Unit

Evaluation and Placement - Administration
Pre-Placement Classes - severe
Evaluation and Placement Services

Integrated Programs

Support Services for Special Education Integrated Centers
Placement and Referral Unit
General Industrial Labs
Readiness Program - severe
Center for Multiply Handicapped Children - severe

Classes for the Neurologically Impaired, Emotionally Handicapped

Classes for the Neurologically Impaired, Emotionally Handicapped

Bureau of Educational and Vocational Guidance

Bureau of Educational and Vocational Guidance - Administration
Evening Guidance Centers

Bureau of Attendance

Bureau of Attendance - Administration
Attendance Services

Bureau of Child Guidance

Mental Health Administration - DMH
Mental Health Services - DMH
Evaluation and Clinical Services - Tax Levy
Special Education - New York State Textbook Law

4. THE ACCOUNTING SYSTEM IN DSEPPS DOES NOT PROVIDE PROGRAM MANAGEMENT WITH THE FINANCIAL DATA NEEDED TO MONITOR THEIR PROGRAM COSTS.

(1) Findings

- The Office of Budget and Personnel does not provide useful accounting data to all levels of program management, thus it is difficult for management to evaluate program cost effectiveness
- Cost accounting data is not provided by type of handicap program being conducted to allow for comparison between competing programs or to provide indications of where costs of specific programs may be exceedingly high
- Accounting data is not readily available in a form which enables program management to prepare regulatory reports required by governmental agencies
- No comparison of substitute replacements with regular teacher absences is undertaken centrally for special schools, although the Office of Budget and Personnel does receive service reports from special schools which could be spot checked. However, adequate staff have not been provided to perform this function
- The accounting function centrally is conducted in three separate units:
  - The Classes Unit in the Office of Budget and Personnel maintains OTPS and imprest fund records for classes in District schools
  - The Schools Unit in the Office of Budget and Personnel maintains accounting records for classes in Special Schools
  - The Accounting Unit in the Office of Funded Programs maintains accounting records for reimbursable programs.

(2) Action Taken To Date

- The internal function numbers of the reorganized Program 16 budget will enable the AB Accounting System to provide a detailed cost breakdown by instructional program. This will also provide the audit trail necessary for State aid accounting

(3) Recommendations

- Organizationally combine tax levy and reimbursable accounting units
- Identify accounting information useful to program management and develop multi-level operating reports which particularly highlight exceptions where management should take action
- Both internal and external accounting requirements should be clarified and accounting records maintained to the appropriate level of detail to meet these requirements
- Begin spot checking service reports from Special Schools to monitor substitute service. Also, establish liaison with District Business Offices to encourage the reporting of particular problems relating to Special Education classes to the DSEPPS Office of Budget and Personnel

5. CONTROL OF ENCUMBRANCES AND EXPENDITURES IS NOT CONDUCTED AT THE LEVEL OF DETAIL REQUIRED TO ANALYZE ALLOCATION OF RESOURCES, NOR ARE SPENDING RATE PROJECTIONS MADE TO INSURE THAT EXPENDITURES WILL REMAIN WITHIN BUDGET.

(1) Findings

- Position control for both classes and schools includes monitoring total positions by location. Only limited monitoring of type of position and dollar amount is undertaken

As a result, it is difficult to determine if Bureaus or units are following approved staffing standards. This is particularily important because of the changing nature of the DSEPPS student population which may require shifting of resources from one program to another in a Bureau or from Bureau to Bureau

Formal expenditure analysis is not conducted, showing encumbrances and expenditures, developing a spending rate, and projecting expenditures, based on this rate, to the balance of the year

Formalized procedures are not available outling the Budget control process in DSEPPS and the specific responsibilities of the Bureaus and the central DSEPPS Budget Office for conducting this process:

- Each Bureau follows different procedures and places a different emphasis on financial management
- Organizational responsibility for budgeting and budget control varies by Bureau and program
    - In the past, the budgeting process for the School for the Deaf and the School for Language and Hearing Impaired Children has not been combined with other programs of the Bureau for the Hearing Handicapped
    - Bureau for Physically Handicapped has full-time person assigned for budget and position control but Hospital Schools for Pregnant Girls and School for Career Development are not as closely monitored by the Bureau
    - Bureau for the Socially Maladjusted and Emotionally Disturbed handles budget and position control separately for classes and schools
    - Integrated programs have no centralized budget procedures. Each program maintains its own records

(2) Action Taken to Date

- DSEPPS has consolidated authority for Program 16 position control in the Office of Budget and Personnel

(3) Recommendations

- Uniform procedures clarifying Bureau and Division responsibilities for budget control of resources should be established
- Assign responsibility in each major program or Bureau and identify capability of staff required for conducting finance activities
- Procedures should be developed for periodically preparing expenditure analysis reports to insure that program costs are within reasonable limits and that the level of under or over-expenditure of budget at the end of the year is minimized

E. CONTROLS ARE LACKING ON RECONCILING DELIVERIES WITH PURCHASE ORDERS AND INVOICES AND MAKING TIMELY PAYMENTS TO VENDORS

(1) Findings

- The Classes Unit in the Office of Budget and Personnel does reconcile the purchase order with the delivery receipt and invoice but relies on the Board of Education Accounts Payable Unit to process the voucher
- The Special Schools Unit of the Office of Business and Personnel does not reconcile or process the voucher but relies on Accounts Payable to perform both operations
- As a result, delivery receipts or invoices could be lost and delays could exist before the vendor is paid
- Limited control exists for monitoring the purchasing process for DSEPPS classes
    - . In some cases the teacher may not be aware of the OTPS allocation to his or her class
    - . Once delivery is made to a school it is difficult to insure that the DSEPPS class actually receives the supplies

(2) Recommendations

- The Office of Budget and Personnel should both reconcile delivery receipts with invoices and purchase orders and prepare the payment voucher
- Exception reports should be generated to Bureaus on questionable purchases of items and where the invoice has been received by the vendor but no delivery receipt has been submitted by the schools
- Periodically reports should be submitted to the schools itemizing purchases requested and delivered

7. DSEPPS REQUIRES EXTENSIVE PUPIL AND PERSONNEL INFORMATION TO MEET REGULATORY AND FUNDING SOURCE REQUIREMENTS

(1) Findings

- Requests for information from within and outside DSEPPS are made on an ad hoc basis. DSEPPS personnel fulfilling such data requests are frustrated by time constraints placed on them, the duplication of requests, and lack of a system for capturing data on a regular basis
- Chapter 241 of the State Education Laws of 1974 provides aid in addition to that provided regular pupils for handicapped and severely handicapped pupils. A total of $41,914,432 in State Aid was received for 1974-75
- The Commissioner's Regulations and the State Education Law include extensive planning, reporting and accounting requirements
  - . The District Plan, required every three years, must include:
    - .. Number and grade span of pupils served
    - .. Priority needs and method of identification
    - .. Program objectives, program activities, evaluation methods
    - .. Budget
  - . The annual report must include:
    - .. Previous year's expenditures of aid for handicapped and severely handicapped
    - .. Number of pupils served and method of identification
    - .. Evaluation of results

  - The financial claims require extensive attendance-register data by handicap category and severity of handicapping condition

- Statistical data required in preparation of District plans, reports and financial claims for Chapter 241 State Aid Apportionment is not readily available:
  - Official Board attendance data cannot always be reconciled with DSEPPS data
  - State aid funding rates vary by borough. Because of past organizational practices and the difficulty in altering the name of a school to conform with its borough location, State funding may have been lost since Socially Maladjusted and Emotionally Disturbed schools, which often include classes in different borough locations, were each reported as located in only one borough.

- New York State 90 percent reimbursement of pupil transportation costs, $46,400,000 in fiscal 1974-75, requires accurate accounting of transportation provided for handicapped pupils

- The State Department of Mental Hygiene and the City Department of Mental Health and Mental Retardation provide 50 percent reimbursement, $15,700,000 in fiscal 1974-75, for mental health evaluation and clinical services, and require plans and reports including:
  - Identification of pupils served
  - Handicapping condition
  - Test data
  - Program activities and objectives
  - Budget and actual expenditures

- Section 4404(2)b and 4403 of the New York State Education Law provide for the education of handicapped children in non-public schools at public expense where public school placement is not available. In order to meet State requirements for reimbursement to the State's share of these expenses, (further explained in Section II of this report), DSEPPS must:
    - . Evaluate all pupils applying for non-public placement annually
    - . File claims for non-public tuition payment including:
        - .. Attendance-register data
        - .. Tuition cost
- Title I ESEA funds are available for supplemental programs and services, $12,000,000 appropriated in fiscal 1974-75, and require:
    - . Identification of eligible students by address and test data (or certification of test exemption)
    - . Program plans
    - . Program and financial accounting for reports
- All Federal reimbursable funds obtained in fiscal 1974-75 require similar reporting to that described for Title I information reporting
- DSEPPS must provide external organizations, including parents, with pupil and personnel information supporting programmatic and budgetary requests both to gain credibility with these groups and their support for promoting special education as an essential service for handicapped students
    - . The thirty-two Committees on the Handicapped mandated by the Riley Reid Decision are required to review annually the evaluation and placement of all handicapped pupils
    - . External organizations providing services or advocating for the handicapped must be assured of DSEPPS accountability and control over the quality of services provided

- Basic data needed for regulatory and funding source purposes and the k y users of this data are shown in Exhibit 16

(2) Action Taken to Date

- Regulatory and funding source reporting requirements are in the process of being identified by Project Management Unit Staff

(3) Recommendations

- External reporting requirements should be documented and clarified to insure that appropriate data is being collected and compiled on an on-going basis

8. COMPLETING SPACE AND TRANSPORTATION ARRANGEMENTS FOR SPECIAL EDUCATION HAS DELAYED OPENING OF CLASSES AND THE PLACEMENT OF PUPILS

(1) Findings

- Delays in locating and securing class space impact adversely on education of pupils and the budget planning process, and prevent full use of available resources

- No standard procedures exist at Bureau/Unit or central level for determining pupil transportation needs, channeling requests to Bureau of Pupil Transportation and monitoring services made available to DSEPPS pupils

- The Bureau for Children with Retarded Mental Development has a uniform procedure for identifying and obtaining transportation needs for its pupils

(2) Action Taken to Date

- A space committee has been formed in DSEPPS but space information is still difficult to obtain

(3) Recommendations

- A capability in the organization should be established for coordinating space/facilities information to expedite class formation for the entire Division

- A capability in the organization should be developed for identifying those students requiring transportation and the availability of appropriate services to DSEPPS pupils

- A Space and Transportation Unit should be established in the Office of Budget and Personnel to consolidate the conduct of these activities in DSEPPS

EXHIBIT 16 (1)

SPECIAL EDUCATION DATA REQUIREMENTS AND MAJOR USERS

KEY DATA NEEDS	KEY REPORT NEEDS	MAJOR USERS - INTERNAL/EXTERNAL
I. PUPIL - PUBLIC AND NON-PUBLIC	I. PUPIL - PUBLIC AND NON-PUBLIC	I. PUPIL DATA USERS
A. Handicapping Condition - Handicap - Handicap/Program/Service B. Attendance/Register - Borough - District - School - Level - Grade - Age	A. Current Register and Attendance - Disability - Service Program - Age - Location B. Projected Register and Attendance - 10/31 Next School Year - Peak Next School Year	DSEPPS BUSINESS AFFAIRS OFFICES OFFICE EDUCATIONAL STATISTICS OFFICE SCHOOL FINANCIAL AID OFFICE FUNDED PROGRAMS BUREAU REIMBURSABLE PROGRAMS COMMITTEES ON HANDICAPPED NYC BUDGET BUREAU NYS EDUCATION DEPARTMENT NYC DEPARTMENT MENTAL HEALTH AND MENTAL RETARDATION NYS DEPARTMENT OF MENTAL HYGIENE (HEALTH, EDUCATION AND WELFARE - ANTICIPATED)
C. Pupil Vital Statistics - Name - Date of Birth - Address - Zip Code - Guardian's Address - Ethnicity - Bilingual	C. Title I Eligible Pupils - Residence - Test Scores/Exemption D. Pupils Requiring Reevaluation or Retesting - Clinical	DSEPPS OFFICE EDUCATIONAL STATISTICS BUREAU REIMBURSABLE PROGRAMS OFFICE FUNDED PROGRAMS TITLE I OFFICE COMMITTEES ON HANDICAPPED NYS EDUCATION DEPARTMENT NYS DEPARTMENT MENTAL HYGIENE
D. Test - Clinical and Academic Exam Dates - Clinical and Academic Test Scores - Exemption from Testing F. Evaluation Waiting List - Referral Date for Clinical Exam - Handicap Condition and Certification Date	E. Pupil Test Scores by Handicap Program/Service F. Waiting Lists - Bureau of Child Guidance, Evaluation and Placement Units, State Aid Unit - Pupils Referred . Date . Vital Statistics . Level . Reason for Referral - Pupils Certified . Date, Vital Statistics, Level . Handicap - Approved School (4404,4407) - Approved Funding (4404,4407)	DSEPPS BUSINESS AFFAIRS OFFICES OFFICE SCHOOL FINANCIAL AID NYC BUDGET BUREAU NYC DEPARTMENT MENTAL HEALTH AND MENTAL RETARDATION

EXHIBIT 16 (2)

SPECIAL EDUCATION DATA
REQUIREMENTS AND MAJOR USERS

KEY DATA NEEDS	KEY REPORT NEEDS	MAJOR USERS - INTERNAL/EXTERNAL
I. PUPIL - (CONTINUED)	I. PUPIL - (CONTINUED)	I. PUPIL DATA USERS
F. Admission/Discharge - Admission Date and Source Previous School/Institutional Setting - Discharge Date and Destination	G. Number Pupils Admitted By Program/Service - Referral Date for Clinical Exam - Certification Date - Placement Date H. Number Pupils Discharged by Program/Service - Destination I. Source of Increase - At Home - No Instruction - Home Instruction - Special Classes - Regular Grades - Non Public Schools - Instition or Other	DSEPPS BUSINESS AFFAIRS OFFICES OFFICE SCHOOL FINANCIAL AID COMMITTEES ON HANDICAPPED NYC BUDGET BUREAU
G. Transportation Data - Transportation Required - Transportation Type		DSEPPS BUSINESS AFFAIRS OFFICES BUREAU PUPIL TRANSPORTATION
H. Transfer - Date - Previous Program - New Program	J. Number Pupils Transferred by Program - To New Program - To New Level	DSEPPS

EXHIBIT 16 (3)

SPECIAL EDUCATION DATA
REQUIREMENTS AND MAJOR USERS

KEY DATA NEEDS	KEY REPORT NEEDS	MAJOR USERS - INTERNAL/EXTERNAL
2. PERSONNEL	2. PERSONNEL	3. PERSONNEL DATA USERS
A. Work Description - Function - Handicap Program/Service B. Location - Borough - District - School - Level C. Salary D. Vital Statistics - License - Appointment Date - First Day of Service	A. Teachers By - Handicap Program/Service - Function - Level - Location - License B. New Teachers Hired - Identifying Information C. Pupil-Teacher Ratios - Classroom Teachers - Including Unit or Cooperating Teacher - Including All Teachers D. Supervisor-Teacher Ratio E. Preparation/Administrative Period Coverage - Teacher - Handicap Program - Level - Location	DSEPPS BUSINESS AFFAIRS OFFICES OFFICE SCHOOL FINANCIAL AID OFFICE FUNDED PROGRAMS BUREAU REIMBURSABLE PROGRAMS TITLE I OFFICE NYC BUDGET BUREAU NYS EDUCATION DEPARTMENT NYC DEPARTMENT MENTAL HEALTH AND MENTAL RETARDATION NYS DEPARTMENT MENTAL HYGIENE
3. OTHER THAN PERSONAL SERVICES	3. OTHER THAN PERSONNEL SERVICE	3. OTPS DATA USERS
A. Item - Description - Amount Encumbered - Amount Expended - Location		DSEPPS BUSINESS AFFAIRS OFFICES TITLE I OFFICE OFFICE SCHOOL FINANCIAL AID OFFICE FUNDED PROGRAMS BUREAU REIMBURSABLE PROGRAMS NYC BUDGET BUREAU NYS EDUCATION DEPARMENT NYC DEPARTMENT MENTAL HEALTH AND MENTAL RETARDATION NYS DEPARMENT OF MENTAL HYGIENE

EXHIBIT 16 (4)

SPECIAL EDUCATION DATA
REQUIREMENTS AND MAJOR USERS

KEY DATA NEEDS	KEY REPORT NEEDS	MAJOR USERS - INTERNAL/EXTERNAL
4. CLASSES	4. CLASSES	4. CLASS DATA USERS
A. Classes - Program - Location - Level - State Mandated Maximum Size - DSEPPS Recommended Maximum Size - Minimum Size - Actual Size - Age Range	A. Class Size by Program/Disability - Location - Level - Age Range B. Class Space - Available Space - Over Maximum - Under Minimum - Age Range C. Class Clusters - Borough - District - Number Classes in School - Number Schools - Number Classes - Totals	DSEPPS BUSINESS AFFAIRS OFFICES OFFICE AID NYC BUDGET BUREAU NYS EDUCATION DEPARTMENT
	5. COSTS - PUBLIC AND NON PUBLIC	5. PROGRAM COST USERS
	A. Costs by Program/Service - Budgeted Cost Per Pupil - Expended Cost Per Pupil - Projected Cost Per Pupil (Based on Budgeted and Expended)	DSEPPS BUSINESS AFFAIRS OFFICES NYC BUDGET BUREAU

(9) A CENTRAL UNIT FOR ALL PUPIL CLINICAL/EDUCATIONAL EVALUATIONS AND PLACEMENTS DOES NOT EXIST TO ENABLE READY ACCESS TO EVALUATIVE INFORMATION, TO COORDINATE TIMELY AND APPROPRIATE PLACEMENTS, AND TO OBTAIN ACCURATE WAITING LIST INFORMATION

(1) Findings

- Bureau of Child Guidance tests and recommends placement for: A Classes for the severely emotionally disturbed, B Classes for the non-severely emotionally disturbed, Day Schools for the Socially Maladusted/Emotionally Disturbed, and programs for Children with Retarded Mental Development

- Evaluation and Placement Units prepare clinical and educational evaluations, recommend placement for: Severely Emotionally Handicapped, Language Impaired, Aphasic, Autistic, Brain Injured, Multiple Handicapped

- Hearing Conservation Clinic tests and recommends placements for Hearing Impaired

- Teacher of Speech Improvement tests and recommends placement for Speech Impaired

- Department of Health and Bureau of Child Guidance Teams test and recommend placement for Severely Physically Handicapped (HC 20)

- Department of Health Optometrist tests and recommends placement for Visually Handicapped

- Physician or clinic examines and recommends placement for Physically Handicapped (HC) classes

- Physician or clinic, with BCG or Department of Health approval, examines and recommends placement for Home Instruction

- Hospitals, Treatment Centers, and other institutions, monitor, evaluate and control intake for hospital schools and the institutional settings to which the Bureau for the Socially Maladjusted/Emotionally Disturbed provides instruction

- School principal, parent or teacher refers pregnant girls to "900" Schools for Pregnant Girls

(2) Action Taken to Date

- A pilot project is planned in which all referrals which would ordinarily be processed by the Bureau of Child Guidance (BCG), or the Evaluation and Placement (E&P) Unit will be handled by a single team made up of clinicians of both E & P and BCG. This will serve as a model for further consolidations of placement and referral functions

(2) Recommendations

- Consolidate all evaluation and placement functions under the current Evaluation and Placement Unit or at a minimum create a central referral registry within the Evaluation and Placement Unit through which all appointments for evaluation of handicapped pupils by any agency would be made, and through which all placement would be processed and followed up. All pupil records concerning evaluation and placement would be consolidated in this office

10. BUREAU ORGANIZATIONAL AND MANAGEMENT PROBLEMS MAY REDUCE THE EFFECTIVENESS OF DSEPPS BUDGET AND ACCOUNTING SYSTEMS AND PROCEDURES

(1) Findings

- Bureaus have limited staff committed either part or full-time to conducting functions such as:
  - Conducting in-depth needs assessment for budget preparation purposes
  - Reviewing and analyzing data of on-going programs
  - Monitoring financial status of the Bureau
- Exhibit 17 shows the type of management analysis that should be conducted at the Bureau level to enable them to maximize the use of resources.
  - In conjunction with identifying where staff cuts could be made during the 1975-76 budget process it was necessary to identify rates of attendance for each handicap program to determine where class sizes could be increased with minimum impact
  - Exhibit 17 shows additional pupils potentially served if class sizes were raised to the state maximum plus 20 percent. It also shows the impact of increased maximum class size on actual class size when attendance rates are considered

3

EXHIBIT 17

ANALYSIS OF PUPILS POTENTIALLY
ABLE TO BE SERVED AT NEW STATE
MAXIMUM CLASS SIZE

	(1) MAXIMUM CLASS SIZE			(2) ESTIMATED SEPTEMBER REGISTER	(3) MAY PERCENT OF ATTENDANCE	(4) ESTIMATED SEPTEMBER CLASSROOM TEACHERS	(5) TOTAL PUPILS POTENTIALLY SERVED 9/75 IF CLASS AT STATE MAX. PLUS 20%	(6) CLASS SIZE OBTAINED BY (5) X (3) ÷ (4)
	DSEPPS	STATE	STATE + 20%					
PHYSICALLY HANDICAPPED								
HC: ELEMENTARY	[illegible]	[illegible]	12	[illegible]	80.0	66	792	12
HC: SECONDARY	[illegible]	[illegible]	[illegible]	[illegible]	82.5	23	414	15
HC-20: ELEMENTARY	[illegible]	[illegible]	12	590	85.0	39	468	10
HC-20: SECONDARY	[illegible]	[illegible]	18	415	84.5	36	648	13
HC-30: ELEMENTARY	[illegible]	[illegible]	12	1770	89.0	406	4872	11
HC-30: SECONDARY	[illegible]	[illegible]	18	1250	86.0	178	5204	15
SCHOOL FOR CAREER DEVELOPMENT	[illegible]	8a.)	10	158	69.0	15	130	7
HOSPITAL SCHOOLS	10	[illegible]	12	870	82.5	95	1140	10
SCHOOLS FOR PREGNANT GIRLS	[illegible]	–	–	850	52.7	49	1225	13
MENTALLY RETARDED								
EMR: EARLY CHILDHOOD	8	15	18	780	89.0	33	396	16
EMR: ELEMENTARY	[illegible]	15	18	4523	85.0	114	2052	15
EMR: SECONDARY	[illegible]	15	21	4141	74.8	169	3318	16
TMR: ELEMENTARY	[illegible]	12	14	1932	84.0	172	2064	10
TRACK IV	[illegible]	9b.)	10	311	88.0	25	250	4
MULTIPLE HANDICAPPED	8	9c.)	10	152	83.0	37	370	12
OCCUPATIONAL TRAINING CENTERS: EMR	18	18	21	780	83.0	42	724	18
OCCUPATIONAL TRAINING CENTERS: TMR	[illegible]	12	15	316	85.0	39	592	12
OCCUPATIONAL TRAINING CENTERS: MH	10	10	12	204	83.0	16	120	10
VISUALLY HANDICAPPED								
MULTIPLE HANDICAPPED	[illegible]	8d.)	10	29	86.0	4	40	9
NON-SEVERE: ELEMENTARY	[illegible]	10	12	109	79.0	18	216	8
NON-SEVERE: SECONDARY	[illegible]	15	18	78	77.5	8	144	11
EMOTIONALLY HANDICAPPED								
A CLASSES	[illegible]	8	[illegible]	1671	73.1	213	2120	7
B CLASSES	[illegible]	10	12	1981	76.0	190	2180	9
DAY SCHOOLS: SEVERE	[illegible]	8	10	1096	59.9	8	880	6
DAY SCHOOLS: NON-SEVERE	[illegible]	10	12	2084	–	156	1572	–
CLUSTER SCHOOLS: SEVERE	[illegible]	8	10	1796	79.[illegible]	290	2900	8
CLUSTER SCHOOLS: NON-SEVERE	[illegible]	10	12	4421	68.2	332	3984	8
HEARING HANDICAPPED								
SCHOOL FOR THE DEAF	10	10	12	175	85.0	26	312	10
MULTIPLE HANDICAPPED	8	9e.)	10	509	86.0	79	790	9
SCHOOL FOR LANG. AND HEAR. IMPAIR.	8	8e.)	10	695	87.3	37	370	9
HIGH SCHOOL: SEVERE	[illegible]	10	12	150	87.1	12	132	10
WORK STUDY	[illegible]	15	15	53	86.0	5	60	10
CLASSES FOR NIEH	[illegible]	8f.)	11	1055	89.0	92	902	9
READINESS PROGRAM	[illegible]	8g.)	10	211	85.5	29	290	4
PRE-PLACEMENT CLASSES	[illegible]	8h.)	11	680	86.5	68	680	9
CENTER FOR MULTIPLE HANDICAPPED	[illegible]	8	10	377	86.2	16	160	9
TOTAL				46,420		5,217	41,719	

FOOTNOTES

a.) CHILDREN IN THE SCHOOL FOR CAREER DEVELOPMENT ARE NEUROLOGICALLY IMPAIRED AND SEVERELY EMOTIONALLY DISTURBED.

b.) THESE CHILDREN ARE PROFOUNDLY RETARDED. THE DIVISION HAS DETERMINED THAT A CLASS SIZE OF 6 IS APPROPRIATE. THERE IS NO SECTION OF THE STATE LAW WHICH PERTAINS TO THEM.

c.) THE DIVISION HAS DETERMINED THAT A CLASS SIZE OF 6 IS APPROPRIATE FOR THESE MULTIPLE HANDICAPPED, RETARDED CHILDREN. MOST ARE EMOTIONALLY DISTURBED.

d.) THE DIVISION HAS DETERMINED THAT THIS CLASS SIZE MEETS THE NEEDS OF THE CHILD.

e.) THE DIVISION HAS DETERMINED THAT THIS CLASS SIZE MEETS THE NEEDS OF THESE MULTIPLE HANDICAPPED CHILDREN.

f.) THESE CHILDREN ARE NEUROLOGICALLY IMPAIRED AND SEVERELY EMOTIONALLY DISTURBED.

g.) THESE CHILDREN ARE SEVERELY EMOTIONALLY DISTURBED.

h.) THE DIVISION HAS DETERMINED THAT THIS CLASS SIZE SUITS THE NEEDS OF THESE MULTIPLE HANDICAPPED CHILDREN.

i.) EXCLUDES HOME INSTRUCTION PUPILS WHICH ARE ESTIMATED TO NUMBER 1950 IN SEPTEMBER.

(3) Action Taken to Date

- DSEPPS has organized a task force to review the educational programs and supportive services available to emotionally handicapped pupils. The Executive Director is currently evaluating recommendations, some of which include proposals for Division organizational change
- In 1973 Executive Director Helen Feulner proposed a reorganization pattern for DSEPPS, much of which has been implemented, to unify programs and services for pupils with similar disabilities, and to make possible the provision of a continuum of services with a range of programs suited to each category of handicap
- DSEPPS, Office of Budget and Personnel, in conjunction with Project Management Unit staff have begun establishing standards and procedures for monitoring Bureau performance

(2) Recommendations

- Reporting and organizational relationships between special schools, bureaus and DSEPPS central offices should be standardized and clarified
- The Division should establish more uniform program performance standards and monitor to insure that these standards are being complied with

II. DSEPPS STATE AID UNIT LACKS THE INTERNAL PROCEDURES AND STAFFING RESOURCES NECESSARY TO ADEQUATELY CONDUCT APPROVAL, PLACEMENT AND MONITORING FUNCTIONS REQUIRED BY SECTION 4404(2)b OF THE NEW YORK STATE EDUCATION LAW WITH RESPECT TO CONTRACTING WITH NON-PUBLIC SCHOOLS FOR THE EDUCATION OF HANDICAPPED CHILDREN

(1) Findings

- The State Aid Unit was given the responsibility for administering the contracting with non-public schools for the education of handicapped children when Section 4404 of the State Education Law was enacted. Previously, children in non-public schools where contracted by the State under Section 4407. Initially the sam procedures that had been used by the State were followed. These proved to be inadequate, and during the course of the last year, many problems have been identified

- Since the early 1960's, Section 4407 of the New York State Education Law required local school districts to evaluate medical and psychological data in order to make recommendations to the State Education Department as to whether the District public schools could meet a handicapped child's educational needs. In the case that it could not, recommendation was made for placement in a non-public school facility and the State contracted for such services with funding up to $2,500 per year for such placement. In 1974, the Division's State Aid Unit was required to assume responsibility for contracting with non-public schools for the education of handicapped children under Section 4404(2) (b) of the State Education Laws

- Section 4404(2) (b) requires the local school District to assume the financial responsibility for the education of a severely handicapped pupil in any appropriate educational facility, excepting out-of-State residential treatment centers. The State legislature recently raised the ceiling for 4404(2) (b) tuition payments to $4,234.34 from $3,316.77 per pupil last year. New York State's share of this payment is $2,985.81. New York City Board of Education tax levy funds provide for the balance of the $4,234.34 or $1,248.53. The State and City will honor Family Court orders requiring that the full cost of tuition, in excess of $4,234.34, for handicapped pupils be paid by the City, with 50 percent reimbursement by the State. Under Section 4403 of the State Education Laws the Family Court or the Board of Education may issue such an order on the City Comptroller's Office and the City must provide funds for full tuition payment; the funding is 50 percent reimbursable by the State if approved by the State Education Commissioner

- Lack of adequate procedures for obtaining pupil evaluative information from the schools resulted in the approval, as of July 20, 1975, of 1,000 of the 1,500 pupils already attending non-public schools during fiscal 1974-1975. The Office of School Financial Aid could not file for reimbursement for these pupils until approvals were finalized

- Reliable information concerning the quality of non-public school facilities and educational programs is not available for contract school certification, for monitoring provision of educational and other services to 4404 and 4407 pupils, or for determining number of seats available for new pupils

- Many problems result from the fact that parents of handicapped children are referred to, or enroll their children in non-public schools before there is any contact with the Division of Special Education

- Information concerning the appropriateness of public school programs for particular children has not always been made available to State Aid Unit on a timely basis from Bureau of Child Guidance or Evaluation and Placement Units.

(2) Action Taken To Date

- A new procedure for 4404 (2) (b) contracting, and for the monitoring of the contracts with non-public schools has been agreed upon, to take effect with the 1975-1976 school year.

(3) Recommendations

- To insure that the present procedures are properly implemented, and that old problems do not re-occur:

  . A plan for reorganizing State Aid Unit and implementing improved procedures for performance of required functions should be developed

  . Develop procedures to involve the Board of Education in the decision of where the handicapped child is best educated before he is enrolled in a non-public school

IV. FINANCIAL ORGANIZATION STRUCTURE AND STAFF SUPPORT REQUIRED IN DSEPPS

The previous sections of this report have illustrated the increased business management responsibilities which should be performed in DSEPPS. This section considers the organizational requirements needed to meet these responsibilites at the Division and Bureau level. The development of the business management structure was guided by these objectives:

- Insure greater management control of financial and other business related functions
- Consolidate staff performing various business and financial functions into a single unit and add additional staff for functions currently not performed
- Promote the assumption of a more active role by staff in academic areas in performing non-supervisory, management functions such as:
    - Monitoring school activities through the use of pupil information and taking corrective action to insure effective use of resources
    - Evaluating performance of on-going programs
    - Managing the design and implementation of major new programs
- Organize functions into related activity groups to permit easier contol of all staff efforts and facilitate the achievement of common objectives across functional areas

Also guiding the business organization design was the model of the Central Board of Education organization. The Chancellor concentrates on issues that have direct instructional implications while the Deputy Chancellor is responsible for the management and administration of the business functions that support the educational systems. In a Community School District, the Superintendent insures the effective daily operation of educational programs while the Business Manager supervises all business and administrative functions. A similar division of responsibility is proposed for the Division of Special Education and Pupil Personnel Services.

The organization developed to carry out the business management functions in DSEPPS must take into account the financial responsibilities which must be met by the Division, the nature of the specific tasks and personnel skills required to meet these responsibilities, and the financial constraints imposed by limited funds available. The organizational structure should be flexible to meet organizational needs that are unique to individual Bureaus, and to take into account workloads, the capabilities, and interests of personnel now on Bureau staffs.

I. THE PRESENT STAFF AVAILABLE FOR BUSINESS ACTIVITIES CANNOT MEET THE NEW MANAGEMENT RESPONSIBILITIES

The current organizational structure of the Office of Budget and Personnel is shown in Exhibit 18. The Junior Accountant and Senior Clerk who report to the Office of Funded Programs and maintain accounting records for reimbursable prgrams are not shown, since the budgeting, funding and accounting for these programs are now handled separately from tax-levy supported programs. Functions which the Office of Budget and Personnel should be performing are similar to the tasks a Community School District Office performs. However, as illustrated by Exhibit 19, which compares an average Community School District to DSEPPS, the scale of operations at the Division of Special Education is much larger. As an example, the DSEPPS full-time pupil population is almost twice as large as that of a District, and the number of teachers is five times as great.

Moreover, the structure of the Division of Special Education is far more complicated than that of a regular District. Special Education classes and schools are spread throughout every District in all five Boroughs. The logistical problems involved in the supervision of teachers, data collection and even the distribution of supplies are obvious. Problems resulting from

EXHIBIT 18

CURRENT ORGANIZATIONAL STRUCTURE
DSEPPS OFFICE OF BUDGET AND PERSONNEL

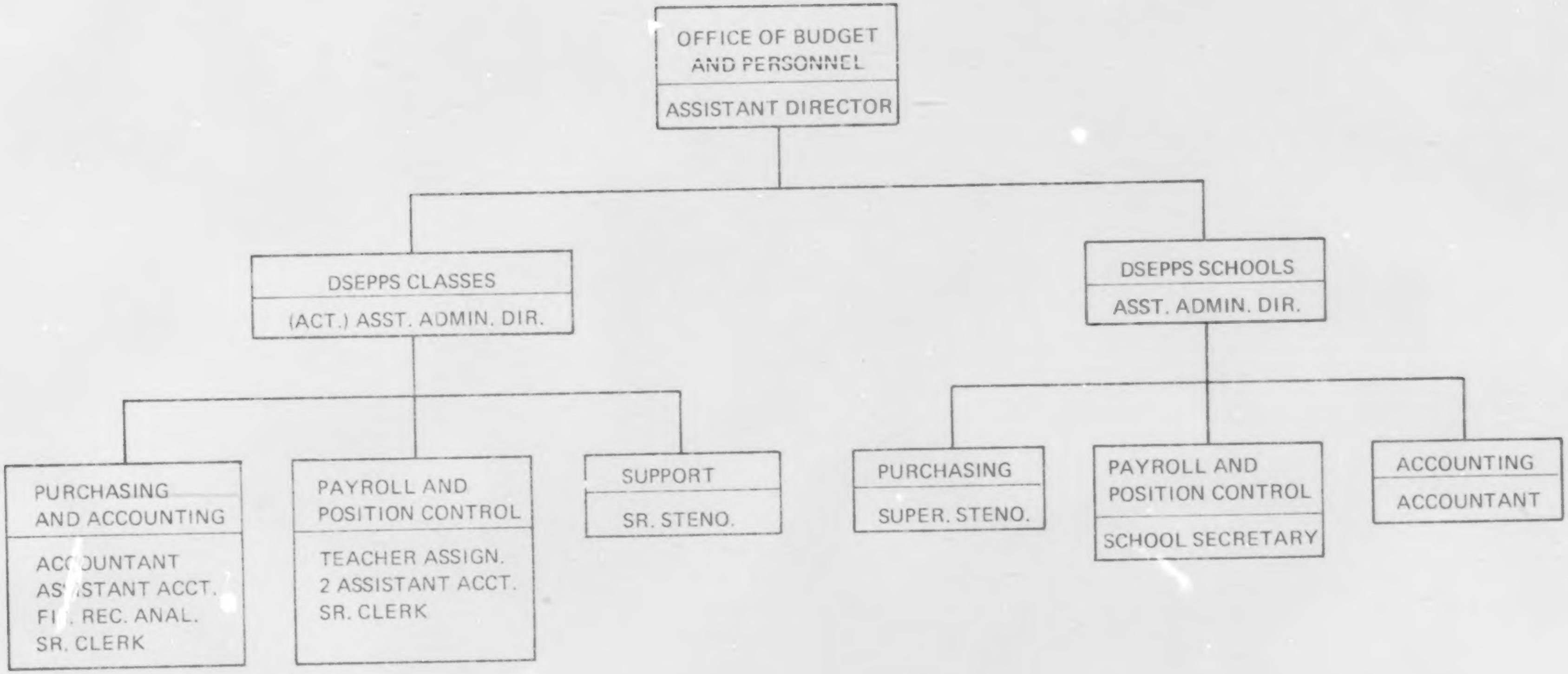

OFFICE OF BUDGET AND PERSONNEL
ASSISTANT DIRECTOR
DSEPPS CLASSES
(ACT.) ASST. ADMIN. DIR.
DSEPPS SCHOOLS
ASST. ADMIN. DIR.
PURCHASING AND ACCOUNTING
ACCOUNTANT
ASSISTANT ACCT.
FIN. REC. ANAL.
SR. CLERK
PAYROLL AND POSITION CONTROL
TEACHER ASSIGN.
2 ASSISTANT ACCT.
SR. CLERK
SUPPORT
SR. STENO.
PURCHASING
SUPER. STENO.
PAYROLL AND POSITION CONTROL
SCHOOL SECRETARY
ACCOUNTING
ACCOUNTANT

EXHIBIT 19

COMPARISON OF STATISTICS OF AN AVERAGE COMMUNITY SCHOOL DISTRICT WITH DSEPPS

COMPARISON CRITERIA	AVERAGE COMMUNITY SCHOOL DISTRICT	DSEPPS
ESTIMATED OCTOBER 1975 REGISTER	23,051	42,233 (FULL-TIME) 96,530 (RESOURCE AND ITINERANT)
REGULAR TEACHERS	1,023	5,181
SCHOOLS OR ANNEXES	29	56
OTHER SERVICE LOCATONS		751 (FULL-TIME) 1,880 (RESOURCE AND ITINERANT)
CONTROLLABLE PERSONAL SERVICE BUDGET	22.1 MILLION	121.2 MILLION
CONTROLLABLE OTHER THAN PERSONAL SERVICE BUDGET	0.9 MILLION	7.2 MILLION

geography, however, are relatively minor compared to the intricacies involved in running a division which administers over forty distinct instructional programs, each designed to meet the needs of a specific group of handicapped students.

Exhibit 20 compares the staff required of an average District to that of the DSEPPS Office of Budget and Personnel by business function. The DSEPPS budget office now has one staff person less than an average District Business Office, though by comparison, the Division obviously requires a larger business staff.

EXHIBIT 20

COMPARISON OF STAFFING OF AVERAGE DISTRICT BUSINESS OFFICE TO DSEPPS OFFICE OF BUSINESS AND PERSONNEL [1].

FUNCTION	AVERAGE COMMUNITY SCHOOL DISTRICT [2].	CURRENT DSEPPS OFFICE OF BUDGET AND PERSONNEL
ADMINISTRATION	1 DISTRICT BUSINESS MANAGER 2 DISTRICT BUSINESS OFFICERS OR EQUIVALENT 1 ADMIN. ASSISTANT	1 ASSISTANT DIRECTOR 2 ASST. ADMIN. DIRECTORS
ACCOUNTING	1 ACCOUNTANT 1 ASST. ACCOUNTANT	1 ACCOUNTANT 1/2 ACCOUNTANT 1/2 ASST. ACCOUNTANT 1/2 SR. CLERK 1 SR. CLERK
PAYROLL AND POSITION CONTROL	1 ASST. ACCOUNTANT 1/2 SR. CLERK	1 TEACHER ASSIGNED 2 ASST. ACCOUNTANTS 1 SCHOOL SECRETARY 1 SR. CLERK 1 JR. ACCOUNTANT
PURCHASING AND PAYMENT PROCESSING	1 SUPER. CLERK 1 SR. CLERK 1/2 SR. CLERK	1/2 ACCOUNTANT 1/2 ASST. ACCOUNTANT 1 SUPER. STENO. 1/2 SR. CLERK
SUPPORT	1 ADMIN. ASSOCIATE 1 SUPER. STENO. 1 SR. STENO. 1 SR. CLERK 1 TYPIST 1 RECEPTIONIST 1 MESSENGER	1 SR. STENO.
TOTAL STAFF	17	16

1. JR. ACCOUNTANT AND SR. CLERK FROM OFFICE OF FUNDED PROGRAMS INCLUDED IN DSEPPS STRUCTURE

2. BASED ON THE TOTAL BUSINESS RESPONSIBILITIES OF AN AVERAGE DISTRICT, THE STAFFING PATTERN SHOWN ABOVE REPRESENTS THE IDEAL LEVEL OF STAFFING REQUIRED TO CARRY OUT THE RESPONSIBILITIES

2. THE NEW ORGANIZATION AND RESPONSIBILITIES OF THE OFFICE OF BUDGET AND PERSONNEL WILL EMPHASIZE PERFORMING BASIC ACCOUNTING AND BUDGETING FUNCTIONS, FINANCIAL ANALYSIS, CERTAIN SUPPORT SERVICES, AND PUPIL DATA BASE MANAGEMENT

The proposed new organization for the Office of Budget and Personnel is shown in Exhibit 21. It is proposed that the title of the Office be changed to Division Business Management Office to more adequately reflect its responsibilities. Implementation of the organization will require both moving incumbents to positions based on interests and skills, and hiring additional staff for the vacant positions. In some cases the new organization can be effected by consolidating business functions now performed in more than one place in the DSEPPS organization within the Division Business Management Office. The accounting function in the Office of Funded Programs, for instance, should be included in the DSEPPS Business Office. Actual costing out of the new organization must await the assignment of incumbents to functions to be performed in the new organization so that the number and type of additional positions required can be determined.

A description of each of the major functional areas is as follows:

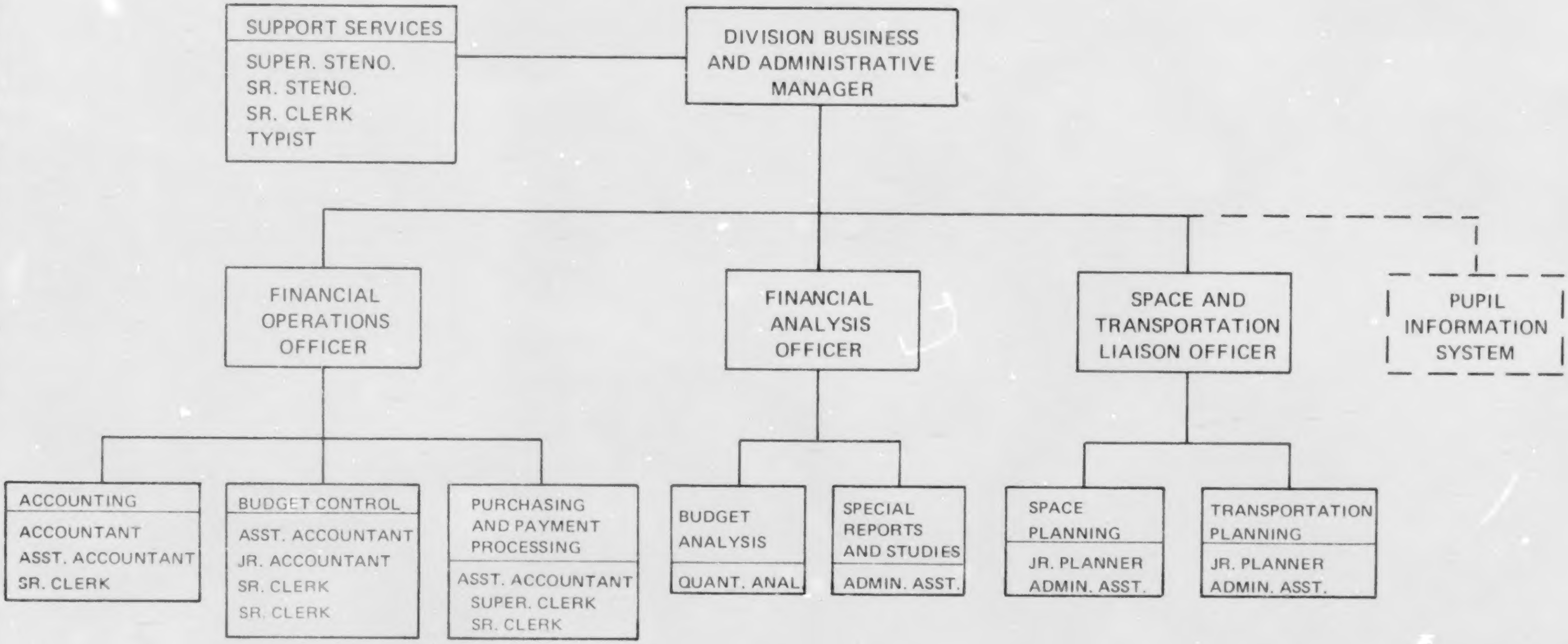
(1) Division Business and Administration Manager

The position requires a highly skilled, experienced manager with the ability and time available for:

- Overall budget planning and preparation
- Advising the Division Executive Director on all business matters
- Financial management of all program funds, tax-levy and reimbursable, allocated to the Division
- General direction of a broad range of regularized administrative activities for which the Business Management Office will have immediate responsibility

EXHIBIT 21

PROPOSED ORGANIZATION
DSEPPS BUSINESS
MANAGEMENT OFFICE


SUPPORT SERVICES
SUPER. STENO.
SR. STENO.
SR. CLERK
TYPIST
DIVISION BUSINESS AND ADMINISTRATIVE MANAGER
FINANCIAL OPERATIONS OFFICER
FINANCIAL ANALYSIS OFFICER
SPACE AND TRANSPORTATION LIAISON OFFICER
PUPIL INFORMATION SYSTEM
ACCOUNTING
ACCOUNTANT
ASST. ACCOUNTANT
SR. CLERK
BUDGET CONTROL
ASST. ACCOUNTANT
JR. ACCOUNTANT
SR. CLERK
SR. CLERK
PURCHASING AND PAYMENT PROCESSING
ASST. ACCOUNTANT
SUPER. CLERK
SR. CLERK
BUDGET ANALYSIS
QUANT. ANAL.
SPECIAL REPORTS AND STUDIES
ADMIN. ASST.
SPACE PLANNING
JR. PLANNER
ADMIN. ASST.
TRANSPORTATION PLANNING
JR. PLANNER
ADMIN. ASST.

- Managing and assisting four highly skilled professional supervisors reporting directly to the business and administrative manager

- Conducting training of Division staff in business management

(2) Finance Operations Officer

- Daily supervision of the accounting, budget control, purchasing and payment processing functions [see (6), (7) and (8) below]

- Supervising budget maintenance process including schedulizing and modifying budget

- Maintaining expenditure control

- Maintaining and verifying basic accounting records

(3) Financial Analysis Officer

- Daily supervision of budget analysis and special reports and studies functions [see (9) and (10) below]

- Preparation of reports and analyses of expenditures for Bureaus and Division to enable effective decision-making

- Preparation of regulatory and funding source reports

(3) Space and Transportation Liaison Officer

- Daily supervision of space and transportation planning functions [see (11) and (12) below]

- Maintaining central records of space utilization and transportation needs

- Liaison with Community School Districts and space committees on space and Bureau of Pupil Transportation on transporting pupils

- Conducting long range planning for space and transportation needs

- Maintaining building maintenance and repair records for DSEPPS facilities

- Providing facilities planning assistance when new space is being located and renovated

- Obtaining equipment for DSEPPS facilities

(5) Pupil Informaton System

This Unit would be responsible for maintaining data bank and serving as liaison with the data processing department. The staffing proposed for this Unit is outlined in the final section of this report. Consideration should be given to transferring the Pupil Data Base System now serving the Bureau for Children with Retarded Mental Development (BCRMD) and Bureau for the Education of the Physically Handicapped from BCRMD to the Division Business Management Office.

(6) Accounting

- Maintain all Other Than Personal Service ledgers
- Reconcile AB accounting system reports with internal records
- Control Imprest Fund accounts

(7) Budget Control

- Monitor all payrolls to reconcile internal records with computerized payrolls
- Spot check personnel service reports to confirm substitute replacement of regular teachers
- Maintain position control including sabbatical and coverage positions
- Maintain central class formation and discontinuance control

(8) Purchasing and Payment Processing

- Maintain files for purchase orders, requisitions and vouchers
- Prepare regular vendor payment vouchers
- Process non-public school payment vouchers
- Process vendor inquiries

(9) Budget Analysis

- Analyze budget control reports
- Prepare annual budget preparation package to guide Bureau development of budget

- Analyze budget submissions
- Monitor operational indicator system which includes activities such as comparing attendance rates with class size and conducting expenditure and spending rate analysis
- Monitor and analyze pupil statistics for funding purposes

(10) Special Reports and Studies

- Assist in compiling reports including pupil, personnel and school statistics
- Assist in conducting budget and operational analysis

(11) Space Planning

- Maintaining records of all existing space utilized and additional space available
- Planning for new space needs based on space availability, population volume and characteristics
- Maintain records on maintenance, repairs and equipment

(12) Transportation Planning

- Maintaining and updating central DSEPPS records and referring updated records to Bureau of Pupil Transportation on all students requiring transportation

3. BUSINESS FUNCTIONS AND ORGANIZATION REQUIRED AT BUREAU LEVEL SHOULD BE TAILORED TO EACH INDIVIDUAL BUREAU

Bureaus should generally rely on the Division Business Management Office to process various daily financial transactions and monitor and verify expenditure and position control data as shown in Exhibit 22. The Exhibit shows the responsibility center for conducting each financial control and reporting function. Within each major function, the numbers preceding the tasks listed indicate the order in which they are to be performed. The Division Business Management Office should prepare periodic financial status reports for the Bureaus and notify Bureaus on a exception basis if corrective action should be taken on specific matters at the class

EXHIBIT 22

RESPONSIBILITY CENTER FOR CONDUCTING KEY FINANCIAL REPORTING AND CONTROL FUNCTIONS IN DSEPPS

PARTICIPANTS FINANCE FUNCTION	DSEPPS DIVISION BUSINESS MANAGEMENT OFFICE	DSEPPS BUREAU	COMMUNITY SCHOOL DISTRICT BUSINESS OFFICE	DSEPPS SUPERVISOR	SCHOOL PRINCIPAL (SPECIAL OR DISTRICT SCHOOL)	TEACHER
BUDGET DEVELOPMENT AND ALLOCATION OF FUNDS	1. DEVELOPS GUIDELINES FOR PREPARATION OF BUDGET 6. MAKES RECOMMENDATIONS TO EXECUTIVE DIRECTOR ON BUDGET SUBMISSIONS 7. MAKES BUREAU ALLOCATIONS	4. COMPILES PUPIL, PERSONNEL, AND OPERATIONAL DATA AS BASIS FOR NEEDS ASSESSMENT 5. PREPARES BUDGET REQUEST 8. MAKES SCHOOL AND CLASS ALLOCATIONS		3. SUMMARIZES DATA REQUIRED FOR BUDGET PURPOSES ON PUPILS AND PERSONNEL 9. ESTABLISHES CLASSES		2. COLLECTS AND SUMMARIZES BASIC PUPIL DATA
POSITION AND CLASS CONTROL	4. APPROVES PCCN AND RECORDS BY POSITION TYPE AND WHETHER NEW CLASS FORMED	3. REVIEWS PCCN FOR ACCURACY AND RECORDS ON BUREAU RECORDS		1a. REQUIRES POSITION BE FILLED IN DSEPPS CLASS	1b. REQUIRES POSITION BE FILLED IN DSEPPS SCHOOL 2. PREPARES AND SIGNS PCCN FOR CLASSES AND SCHOOLS	
PAYROLL CONTROL	2a. MONITORS APPROPRIATENESS OF PER DIEM CHARGES IN SCHOOLS 3. RECONCILES PAYROLLS WITH INTERNAL RECORDS 4a. NOTIFIES BUREAUS OF DISCREPANCIES ON SERVICE REPORT OR PAYROLLS	5. TAKES APPROPRIATE CORRECTIVE ACTION	2b. MONITORS APPROPRIATENESS OF PER DIEM CHARGES IN CLASSES 4b. NOTIFIES SCHOOL AND DSEPPS DIVISION BUSINESS MANAGEMENT OFFICE OF SERVICE REPORT DISCREPANCIES		1. APPROVES REGULAR AND PER DIEM SERVICE REPORT	
PURCHASING AND PAYMENT PROCESSING	3. REVIEWS TO DETERMINE IF AMOUNT OF PURCHASE ORDER IS WITHIN ALLOCATION 4. SUBMITS PURCHASE ORDER TO VENDOR OR BUREAU OF SUPPLIES 7. RECONCILES INVOICE AND PREPARES PAYMENT VOUCHER 8. PREPARES PURCHASE AND OTPS STATUS REPORT PERIODICALLY FOR BUREAUS	9. TAKES APPROPRIATE CORRECTIVE ACTION			2. SIGNS PURCHASE ORDER 5. SIGNS FOR GOODS RECEIVED AND FORWARDS DELIVERY RECEIPTS TO DSEPPS	1. REQUISITIONS SUPPLIES 6. RECEIVES SUPPLIES
IMPREST FUND AND EMERGENCY PURCHASES	3. APPROVES PURCHASE AND REIMBURSES IMPREST FUND OR EMPLOYEE	1b. MAKES EMERGENCY PURCHASE FROM IMPREST FUND 2b. SUBMITS RECEIPT TO DSEPPS				1a. MAKES EMERGENCY PURCHASE FROM OWN FUNDS 2a. SUBMITS RECEIPT TO DSEPPS

and school level which the Bureau can more appropriately handle.

Bureaus should concern themselves with the following major management activities:

- Attracting and managing the best instructional personnel available
- Ensuring an effective fact-based allocation of available financial resources
- Supervising and controlling daily program operation
- Monitoring, evaluating and improving on-going education activities
- Developing and implementing new, innovative programs
- Accounting to, and ensuring positive involvement of parents and handicapped children advocacy groups

To enable Bureau Directors to effectively carry out their management activities they require management and analytical support from staff within the Bureau in the following areas:

(1) Personnel Management

- Maintain list of school staffing needs
- Make teacher assignments

(2) Level and Use of Bureau Funds

- Develop initial budgets by program
- Consolidate budget requests
- Develop alternative class size allocations based on population to be served, historical data and trends, and administrative policy and guidelines
- Process Other Than Personal Service budget distribution to schools and classes
- Monitor and take action on financial reporting and control statements from the Division Business Management Office

(3) Management of On-Going Programs

- Reviews and analyzes operational and population served data:
    - . Attendance and register information
    - . Admission, discharge and transfer data
    - . Class formations and discontinuances
    - . Placement and evaluation waiting list information
    - . Clinical and academic test information
- Meets with supervisors and teachers to elicit problems
- Conducts informal observation of programs and some local program evaluation

(4) Curriculum Design

- Communicates bulletins, notices and requirements to schools
- Provides ideas for methods of implementation
- Provides assistance in implementing programs

It is important that permanent staff be assigned in each Bureau to perform tasks listed above under "Level and Use of Bureau Funds" and "Management of On-Going Programs." These staff members will be responsible for providing necessary Bureau financial and management information to the Division Business and Administrative Manager, and carrying out Bureau-level business management functions under his direction. In some Bureaus this function can be provided by staff who also have other operational responsibilities, but in other Bureaus, full-time business management staff may be required. Because systems and procedures must be developed and maintained, and because expertise acquired through on-the-job experience should not be wasted, it is not practical to constantly shift responsibilities from person to person. A more detailed breakdown of responsibilities, procedures and organizational structure by specific Bureau requires additional analysis of each Bureau's programs and operating structure and procedures.

V. PUPIL INFORMATION SYSTEM

Pupil information should be the foundation for educational and management decision making in the Division of Special Education and Pupil Personnel Services. At present such information is either lacking or difficult to obtain. A good information system can significantly aid the Division in making the most effective use of their resources in providing education services for handicapped children. This Chapter deals with alternative systems for providing the information necessary to support the management activities outlined in the preceding chapter.

In designing the pupil information system, the needs of the following parties must be considered:

- Top managers, who need information as a basis for making policy decisions, particularly decisions regarding the balance among programs and the relations of programs to objectives. Top managers also need information on how the organization is performing
- Planners and analysts, who need information that will assist in estimating the costs and benefits of proposed programs
- Operating managers, who need information pertinent to the responsibility centers through which management control is exercised
- Outside agencies, who require certain information. The system must be designed to supply this information, whether or not the organization needs it for its own purposes. An organization may have an obligation to furnish certain information to the public, or it may believe that it is good public relations to furnish some information

1. OBJECTIVES OF THE PUPIL INFORMATION SYSTEM

The pupil information system proposed here is designed to provide centralized business management information quickly and accurately from the numerous District school and special school locations to meet DSEPPS and external reglatory and funding source information requirements. Particular attention is directed toward the following areas:

- To provide sufficient data for program management to justify and evaluate program activities, their nature and extent
- To provide sufficient documentation for the budget office, Bureau directors and Board of Education management personnel to examine DSEPPS objectives
- To provide management with timely reports for program and business planning and decision making
- To provide information for monitoring and controlling program performance against productivity standards
- To provide the data base for preparation of regulatory and non-regulatory reports required by governmental agencies

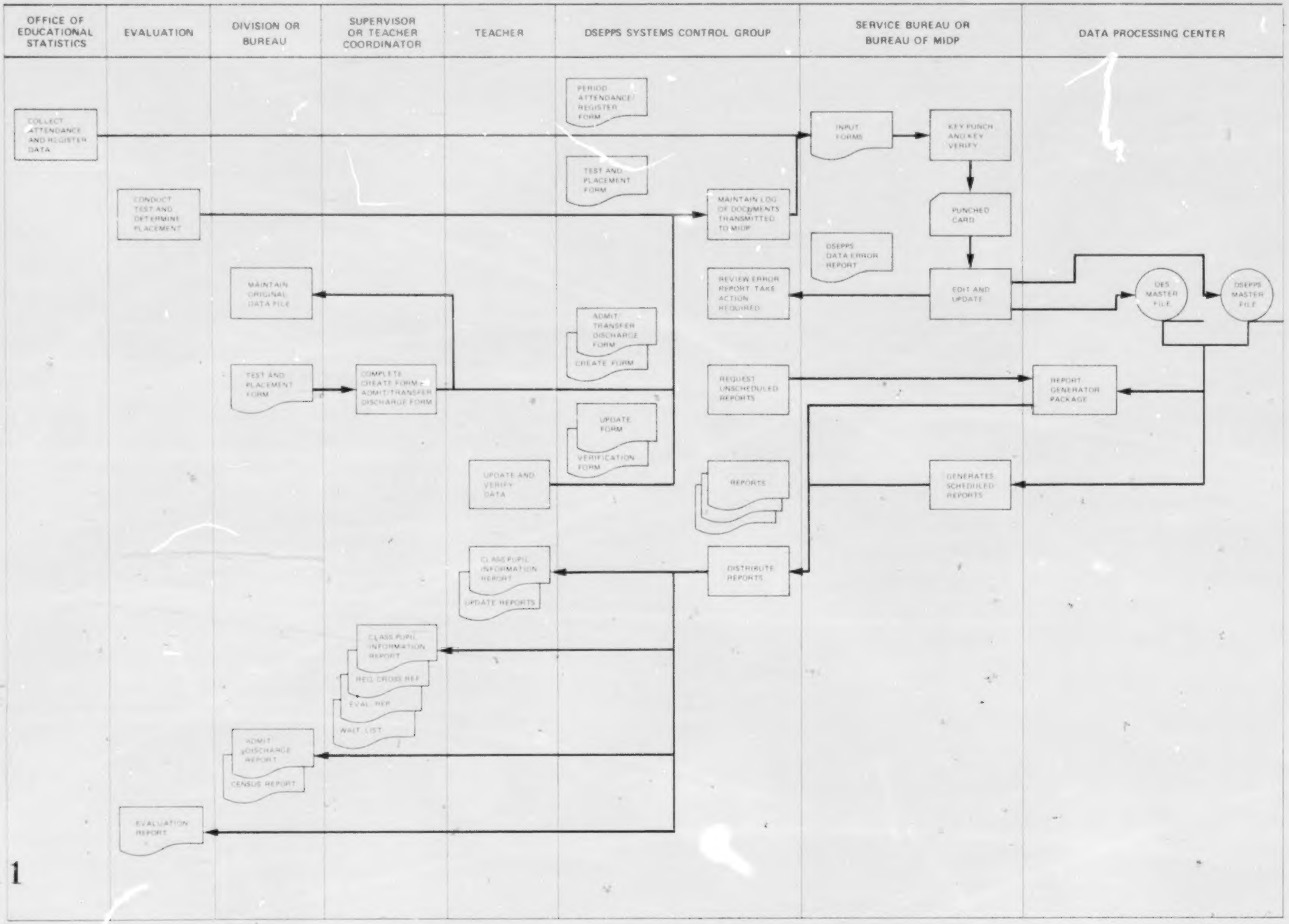
2. OVERVIEW DESCRIPTION OF PUPIL INFORMATION SYSTEMS

A graphical description of the Pupil Information System is shown in Exhibit 23. Information is collected at many levels within the organization:

- The Office of Educational Statistics, which is organizationally separate from DSEPPS collects attendance and register information on Special Education pupils
- The Evaluation and Placement Unit should consolidate clinical and academic test and placement information from the various testing and placement organizations in DSEPPS
- Each Bureau should maintain a file of original documents for all pupils under its jurisdiction
- The supervisor should provide class placement information on each pupil

EXHIBIT 23

PUPIL INFORMATION SYSTEM


OFFICE OF EDUCATIONAL STATISTICS
EVALUATION
DIVISION OR BUREAU
SUPERVISOR OR TEACHER COORDINATOR
TEACHER
DSEPPS SYSTEMS CONTROL GROUP
SERVICE BUREAU OR BUREAU OF MIDP
DATA PROCESSING CENTER
COLLECT ATTENDANCE AND REGISTER DATA
PERIOD ATTENDANCE/ REGISTER FORM
INPUT FORMS
KEY PUNCH AND KEY VERIFY
TEST AND PLACEMENT FORM
CONDUCT TEST AND DETERMINE PLACEMENT
MAINTAIN LOG OF DOCUMENTS TRANSMITTED TO MIDP
PUNCHED CARD
DSEPPS DATA ERROR REPORT
MAINTAIN ORIGINAL DATA FILE
REVIEW ERROR REPORT TAKE ACTION REQUIRED
EDIT AND UPDATE
DES MASTER FILE
DSEPPS MASTER FILE
ADMIT/ TRANSFER DISCHARGE FORM
CREATE FORM
TEST AND PLACEMENT FORM
COMPLETE CREATE FORM/ ADMIT/TRANSFER DISCHARGE FORM
REQUEST UNSCHEDULED REPORTS
REPORT GENERATOR PACKAGE
UPDATE FORM
VERIFICATION FORM
UPDATE AND VERIFY DATA
REPORTS
GENERATES SCHEDULED REPORTS
CLASS PUPIL INFORMATION REPORT
UPDATE REPORTS
DISTRIBUTE REPORTS
CLASS PUPIL INFORMATION REPORT
REG. CROSS REF.
EVAL. REP.
WAIT LIST
ADMIT /DISCHARGE REPORT
CENSUS REPORT
EVALUATION REPORT

111

112

- The teacher should verify and update data as the pupil progresses throughout the year.

The information processing mechanism utilized will depend on a decision to computerize the pupil information system:

- With a computerized system a DSEPPS Pupil Information System Control Group will provide the system design and maintenance capabilities for DSEPPS and serve as the liaison with the Bureau of Management Information and Data Processing (BMIDP) to monitor the flow of documents being processed by BMIDP. The same relationship with BMIDP is now maintained by Bureau for Children with Retarded Mental Development Pupil Data Base System

- Another alternative, with a computerized system, would be to contract with a service bureau outside the Board of Education to both design, maintain, and process the data. This would alleviate the constraints of having to hire sufficient staff to design and maintain the system and of obtaining priority from BMIDP to process the data within DSEPPS required time frames. The system could eventually be run by BMIDP once they have obtained the required staffing capability

- Without computerization, it would be the responsibility of the Bureaus to summarize and analyze the input data for DSEPPS top management and outside agency purposes. In this case the extent of information compiled would be very limited

Reports would be generated for use by all levels of management and for regulatory and fundings source organizations depending on their information needs. By using the report generator software package recently purchased by the Board of Education, DSEPPS will have the capability of preparing, by computer, reports needed for special studies which would not normally be produced as part of the regular report generating schedule of BMIDP.

3. THREE ALTERNATIVES ARE PRESENTED FOR IMPLEMENTING A PUPIL INFORMATION SYSTEM

Alternative I proposes using a manual system for collecting, maintaining, and generating reports needed for management purposes. Alternative I also proposes using the report generator software package now available at the Board to match current computerized files, such as the Office of Educational Statistics "Period Attendance Report" with the "R-740" teacher payroll, to assist in preparing numerous reports required of DSEPPS such as a report showing class sizes by handicap category. Alternatives 2 and 3 are computerized systems. Alternative 2 proposes expanding specific components of the BCRMD Pupil Data Bank System Division-wide to support primarily top management's and Bureau and Program Director's business management information needs. However, much business management information provided by this alternative coincides with information needed for programmatic purposes. Alternative 3 proposes expanding the total BCRMD Pupil Data Bank System Division-wide to support both business and programmatic data needs at top levels of the organization. For Alternatives 2 and 3 consideration is given to utilizing an outside service company for system design, maintenance, and operations as an alternative to utilizing internal Board of Education data processing resources.

(1) Alternative I calls for a manual system for collecting, maintaining, and summarizing pupil data at a cost of $51,413 for system development and $132,363 minimum for annual maintenance.

Alternative I includes implementing manual procedures for collecting, maintaining and summarizing basic pupil information at the Bureau level to meet program management needs of the Bureau and overall Division Business management needs. DSEPPS is required to develop a system to provide District Committees on the Handicapped with pupil information as required by the State. Key data items required for the Committees on the Handicapped would be reviewed and included in the pupil information system. The coding structure of existing computer files applicable to DSEPPS budget and accounting needs will be modified to conform with the current DSEPPS program and organization structure. The Office of Educational Statistics has purchased a report generator software package for the Board. The package will allow DSEPPS to generate by computer reports containing information included on several existing computer files. These reports can contain information existing on more than one computer file, such as pupil/teacher ratios (Period Attendance Report, Payroll); or on one file, such as the names and teaching location of all teachers teaching a specific handicap (Payroll).

Appendix C of this report summarizes planning, development, and maintenance costs for Alternative I. Included in the maintenance costs are the costs of maintaining the existing BCRMD Pupil Data Base System. Also attached is a proposed implementation schedule outlining specific tasks to be conducted. The tasks are as follows:

- Planning. Develop a plan for systems design and installation, including a timetable and a statement of responibilities for conducting implementation
- Analysis of objectives and organization. Diagnose the objectives of the organization, the existing pupil information system and the existing organization structure to determine the key management information needs. This analysis may reveal defects in the existing system and organization structure, in part reflecting differences between the real objectives and information needed to monitor fulfillment of these objectives and the objectives as they are perceived by the organization

- Inventory of current information. Examine the existing sources and uses of information
- Develop the control structure including an overview of the procedures for collecting, summarizing, reporting and analyzing this information
- Develop procedures and staffing requirements to support the control structure
- Test. Test the proposed procedures, preferably in one part of the organization
- Education. Develop and implement an educational program
- Implementation. If feasible, run all or part of the new system concurrently with the existing system. As soon as feasible, eliminate all obsolete parts of the existing system

Alternative I provides DSEPPS with the capability for achieving minimal compliance with internal and external pupil information reporting requirements. Exhibit 24 indicates the extent to which data will be provided to key users through the use of computers. Where data is not available in computer files, Exhibit 24 indicates whether it must be manually collected from a central Division, Bureau or local level such as a Bureau of Child Guidance Center, Bureau supervisor or teacher. In some cases, as shown in Exhibit 24, only part of the information is available by computer in this alternative while other parts are available either centrally or locally but are generated manually.

As Exhibit 24 shows, much information in Alternative I would still be available manually only [illegible] the local level. The ability to compile this information quickly from the numerous service locations has caused major problems in the past. These problems, discussed in the findings section

EXHIBIT 24

CAPABILITY OF ALTERNATIVE I
TO MEET INTERNAL AND EXTERNAL
DATA REPORTING REQUIREMENTS

		KEY USERS		
	DATA	DSEPPS, BOARD, CITY COMM. ON HANDICAPPED	STATE	FEDERAL
PUPIL	HANDICAP CONDITION	COMPUTER	COMPUTER	COMPUTER
	ATTNED./REGISTER	COMPUTER	COMPUTER	COMPUTER
	TEST DATA	MAN. CENT.	MAN. CENT.	MAN. CENT.
	ADMISS./DISCHARGE	MAN. CENT.	NOT REQUIRED	NOT REQUIRED
	EVAL. WAIT. LIST	MANUAL CENTRAL	NOT REQUIRED	NOT REQUIRED
	PUP. VITAL STATS.	MANUAL LOCAL	MANUAL LOCAL	MANUAL LOCAL
	TRANSPORTATION	MANUAL CENT.	MANUAL CENT.	NOT REQUIRED
	TRANSFER	MANUAL LOCAL	NOT REQUIRED	NOT REQUIRED
PERSONNEL	WORK DESCRIPTION	COMPUTER	COMPUTER	COMPUTER
	LOCATION	COMPUTER	COMPUTER	COMPUTER
	SALARY	COMPUTER	COMPUTER	COMPUTER
	TEACH. VIT. STATS.	MANUAL CENTRAL	NOT REQUIRED	NOT REQUIRED
OTPS	ITEM DESCRIPTION	COMPUTER	COMPUTER	COMPUTER
	ENCUMB. EXPEND.	COMP./MAN. CENT.	COMP./MAN. CENT.	COMP./MAN. CENT.
CLASS	CLASSES	COMPUTER	COMPUTER	NOT REQUIRED

of this report, will only partially be alleviated in Alternative I through centralizing the collection and summarization of pupil data required manually at the Bureau level. Also only a limited amount of information can be maintained at the Bureau level.

Manual collection and processing of data requirements will at least require a reallocation of some DSEPPS staff from conducting program oriented activities to assembling and processing data required at the Bureau and Division level. Increased staff resources may also be required. These costs cannot be identified, until a more detailed analysis of each Bureau organization is undertaken. However, these costs could be large depending on the size of the Bureau and the extent of information needed by each Bureau. More clerical help may be required and, more importantly, analytical and statistical staff may be required at the Bureau level.

Alternative I calls for the use of modified existing Board computer systems not under the control of DSEPPS. DSEPPS may, therefore, have only limited input into system modifications, or direct control over data input and computer production. DSEPPS may not be considered a priority user of these systems thereby limiting the extent of systems modifications or generation of reports solely for DSEPPS purposes.

(2) Alternative 2 consists of expansion and revision, where necessary, of key components of the BCRMD-PH pupil data bank system to readily provide at the central Division level pupil information necessary primarily for business management purposes at a cost of $283,609 for systems development and $162,900 for annual maintenance.

The large number of state mandated categories of handicap programs, the data required for each pupil, and the wide distribution of classes for the handicapped throughout the City, require that Alternative 2 focus on the expansion of the basic components of the BCRMD Pupil Data Bank System to the entire Division. Also, the difficulty for DSEPPS of obtaining the resources required to provide its total information needs with a manual system at the Bureau level necessitates proposing a computerized system. Alternative 2 will provide the following data required for budget and accounting by computer:

- Handicapping condition
- Register and attendance obtained by the report generator capability from the "Period Attendance Report"
- Pupil vital statistics
- Clinical and academic test data
- Evaluation waiting list data
- Admission and discharge data
- Transportation data

Appendix C to this report summarizes planning, development, and maintenance costs, including maintenance of the BCRMD system, for Alternative 2. Also attached is a proposed implementation schedule outlining specific tasks to be conducted for planning and developing the computerized pupil data base system. The tasks are as follows:

- Prepare systems planning study to further define the requirements of a computerized pupil data base system
- Identify system requirements, specifications, and technical requirements

- Prepare implementation plan for the development phase of the project
- Conduct programming of the system
- Test system
- Conduct user training
- Conduct data conversion

Alternative 2 provides DSEPPS with the ability to meet all essential business management reporting needs on a timely basis. Exhibit 25 indicates the computer availability of major data needs similar to Exhibit 24 in Alternative I. Exhibit 25 shows that the following pupil data catagories would be provided by computer:

- Handicapping condition and attendance/register data on the Period Attendance Report produced by the Office of Educational Statistics
- Pupil vital statistics, test data, evaluation waiting list, admission and discharge, and transportation data would be provided by the DSEPPS Pupil Data Base System

Transfer data would be available at the Bureau level on a manual basis. Although computerized data bank components in Alternative 2 would provide basic pupil data for meeting business management requirements, they would not provide the total information in these components needed for more programmatic oriented activities.

Alternative 2 relieves DSEPPS from reliance on manual systems and procedures, and therefore increases DSEPPS ability to provide internal and external users with accurate information within acceptable timeframes in the level of detail required. DSEPPS has primary responsibility for system design and implementation so that its unique needs would be met. DSEPPS would also have greater control over the quality of data input and more influence over data processing production especially if a data processing services company is utilized.

EXHIBIT 25

CAPABILITY OF ALTERNATIVE 2 TO MEET INTERNAL AND EXTERNAL DATA REPORTING REQUIREMENTS

		KEY USERS		
	DATA	DSEPPS, BOARD, CITY, COMM. ON HANDICAPPED	STATE	FEDERAL
PUPIL	HANDICAP CONDITION	COMPUTER	COMPUTER	COMPUTER
	ATTEND./REGISTER	COMPUTER	COMPUTER	COMPUTER
	TEST DATA	COMPUTER	COMPUTER	COMPUTER
	ADMISS./DISCHARGE	COMPUTER	NOT REQUIRED	NOT REQUIRED
	EVAL. WAIT. LIST	COMPUTER	NOT REQUIRED	NOT REQUIRED
	PUP. VITAL STATS.	COMPUTER	COMPUTER	COMPUTER
	TRANSPORTATION	COMPUTER	COMPUTER	NOT REQUIRED
	TRANSFER	MANUAL LOCAL	NOT REQUIRED	NOT REQUIRED
PERSONNEL	WORK DESCRIPTION	COMPUTER	COMPUTER	COMPUTER
	LOCATION	COMPUTER	COMPUTER	COMPUTER
	SALARY	COMPUTER	COMPUTER	COMPUTER
	TEACH. VIT. STATS.	MANUAL CENTRAL	NOT REQUIRED	NOT REQUIRED
OTPS	ITEM DESCRIPTION	COMPUTER	COMPUTER	COMPUTER
	ENCUMB. EXPEND.	COMP./MAN. CENT.	COMP./MAN. CENT.	COMP./MAN. CENT.
CLASS	CLASSES	COMPUTER	COMPUTER	NOT REQUIRED

The DSEPPS system could ultimately be integrated into the Board-wide data base system or the New York Education Information System once these systems are at a stage in their development where the DSEPPS needs could be met by these systems. The advantage of utilizing the BCRMD Pupil Data Bank System as the basis for the Division-wide system, is that it is an operating system which is already providing pupil budget, accounting, and programmatic information.

Constraints on implementation are the major financial commitment required to implement the system and the need to hire the appropriate staff to conduct system planning and development activities.

(3) Alternative 3 proposes expansion of the total BCRMD Pupil Data Bank capability Division-wide to support both programmatic and Business management information needs in DSEPPS at development cost of $327,585 and annual maintenance costs of $249,725.

The pupil information required to properly and efficiently run programs for handicapped children is, out of necessity, far more extensive than that required for programs for non-handicapped chidren. The greater availability and timeliness of this information can increase time spent applying appropriate educational services and techniques to the child, thereby increasing the potential for a quick and accurate evaluation and placment of the child, increasing teacher productivity and reducing the overall costs of educating the child. The BCRMD Pupil Data Bank provides BCRMD with over 50 reports to meet educational and management needs including:

- Waiting lists for placement of students
- Students recommended for Bureau of Child Guidance evaluation
- Discharge report
- Class personnel report

- Class space and cluster report
- District distribution of pupils
- Possible improper placement of pupils
- Eligibility lists for Occupational Training Center or High School placement
- Job feedback follow-up and employment status report

Alternative 3 includes all system expansion detailed in Alternative 2, which meets DSEPPS Business management needs. In addition, Alternative 3 includes the expansion of those BCRMD Pupil Data Bank components needed for educational and programmatic purposes. Alternative 3 will provide by computer the following additional data required for both budget and programmatic purposes to that provided in Alternatives 1 and 2:

- Pupil transfer data
- Family profile data
- Special education/service history
- Personnel evaluation
- Absence evaluation
- Evaluation referral
- Work experience

Appendix C of this report summarizes planning, development and maintenance costs, including maintenance of the current BCRMD System, for Alternative 3. Also attached is a proposed implementation schedule outlining specific tasks and manpower resources required for planning and developing the computerized pupil data base system. The tasks required for implementing Alternative 3 are the same basic tasks required for implementing Alternative 2.

Alternative 3, more than meets the project objectives of providing DSEPPS with a means for meeting its business management data needs. Exhibit 26 indicates the computer availability of major business and programmatic data needs provided by Alternative 3. Exhibit 26 shows that all pupil data needs would be provided by computer. Alternative 3 provides DSEPPS with further opportunity to improve program planning, program evaluation, clincal services and transportation services through full expansion of the BCRMD Pupil Data Bank System.

Alternative 3 would relieve DSEPPS of primary reliance of manual systems. DSEPPS would have primary responsibility for system design and implementation, thereby increasing the potential for success.

Alternative 3 calls for a greater financial commitment than does Alternative 2. System planning and development will be more complicated than in Alternative 2 because of the larger amount of information that must be gathered and the difficulty in classifying the extensive amount of information needed for meeting business and programmatic requirements. The possibility of delays or the inability to hire personnel needed for system planning and development could constrain implementation unless an outside data processing services company is utilized.

EXHIBIT 26

CAPABILITY OF ALTERNATIVE 3
TO MEET INTERNAL AND EXTERNAL
DATA REPORTING REQUIREMENTS

		KEY USERS		
	DATA	DSEPPS, BOARD, CITY, COMM. ON HANDICAPPED	STATE	FEDERAL
PUPIL	HANDICAP CONDITON	COMPUTER	COMPUTER	COMPUTER
	ATTEND./REGISTER	COMPUTER	COMPUTER	COMPUTER
	TEST DATA	COMPUTER	COMPUTER	COMPUTER
	ADMISS./DISCHARGE	COMPUTER	NOT REQUIRED	NOT REQUIRED
	EVAL. WAIT. LIST	COMPUTER	NOT REQUIRED	NOT REQUIRED
	PUP. VITAL STATS.	COMPUTER	COMPUTER	COMPUTER
	TRANSPORTATION	COMPUTER	COMPUTER	NOT REQUIRED
	TRANSFER	COMPUTER	NOT REQUIRED	NOT REQUIRED
	FAMILY PROFILE	COMPUTER	NOT REQUIRED	NOT REQUIRED
	SPEC. ED. SER. HIST.	COMPUTER	NOT REQUIRED	NOT REQUIRED
	PERSONAL EVALUATION	COMPUTER	NOT REQUIRED	NOT REQUIRED
	ABSENCE EVALUATION	COMPUTER	NOT REQUIRED	NOT REQUIRED
	EVALUATION REFERRAL	COMPUTER	NOT REQUIRED	NOT REQUIRED
	WORK EXPERIENCE	COMPUTER	NOT REQUIRED	NOT REQUIRED
PERSONNEL	WORK DESCRIPTION	COMPUTER	COMPUTER	COMPUTER
	LOCATION	COMPUTER	COMPUTER	COMPUTER
	SALARY	COMPUTER	COMPUTER	COMPUTER
	TEACH. VIT. STATS.	MANUAL CENTRAL	NOT REQUIRED	NOT REQUIRED
OTPS	ITEM DESCRIPTION	COMPUTER	COMPUTER	COMPUTER
	ENCUMB. EXPEND.	COMP./MAN. CENT.	COM./MAN. CENT	COMP./MAN. CENT.
CLASS	CLASSES	COMPUTER	COMPUTER	NOT REQUIRED

4. IT IS RECOMMENDED THAT A STAGGERED APPROACH TO IMPLEMENTING A PUPIL INFORMATION SYSTEM BE TAKEN, FOCUSING INITIALLY ON IMPLEMENTING BUSINESS MANAGEMENT ORGANIZATIONAL CHANGES

The successful impementation of a pupil information system depends on having appropriate staff capabilities and resources at all levels of the organization to conduct business management activities so that data utilized in the performance of these activities will be transferred accurately, on a timely basis, and in useful form through the organization; and that the analysis of this data is conducted in a thorough and systematic way.

The recommended approach for implementing a pupil information system is as follows:

- Develop and implement the organization structure and procedures required for DSEPPS as recommended in this report to effectively perform its business management functions
- Develop and implement a limited iterim manual system, similar to Alternative 1 for collecting and summarizing business management information at the Bureau level to allow time for the organization to adjust to performing the new business management functions
- Continue to utilize the BCRMD Pupil Data Base System with consideration being given consolidating the system in the Division Business Management Office now that the system is serving two Bureaus
- After the Division is familiar with the manual system and using it successfully, develop and implement a computer assisted pupil information system similar to Alternative 2 because the system recommended in this alternative:
    - Provides business management information within the timeframes required by DSEPPS
    - Provides regulatory and funding source information required

- Utilizes the BCRMD System, a currently operating system, as the basis for meeting information needs Division-wide in DSEPPS
- Provides some flexibility to meet DSEPPS changing information needs
- Provides some information useful for educational management purposes
- Has potential for successful implementation within a reasonable timespan

Consideration should be given to using a data processing services company to design and maintain the system as a means for alleviating the constraints of having to hire capable system staff and having to compete with other Board organizations for priority treatment with internal Board data processing operations.

APPENDIX A

DECISION OF THE NEW YORK STATE COMMISSIONER OF EDUCATION ON HANDICAPPED CHILDREN - IN THE MATTER OF RILEY REID

In the Matter of the appeal of RILEY REID, by his mother, Ellen Hoffman; GLEN ANDERSON, by his mother, Vivian Anderson; DU'WAIN BOYCE, by his mother, Joan Boyce; JOSEPH BUTTA, by his father, Dominick Butta; RUSBERTO CANCEL, by his mother, Virginia Cancel; MILDRED GREER, by her mother, Mildred Greer; LOUIS LAMBRECHT, by his mother, Ceil Lambrecht; ALLAN STEVENSON, by his mother, Estelle Stevenson; and the NEW YORK ASSOCIATION FOR BRAIN INJURED CHILDREN and all other children similarly situated from action of the Board of Education of the City School District of the City of New York and Harvey B. Scribner, Chancellor of the City School District of the City of New York, with regard to educational services for handicapped students.

Decision No. 8742

(November 26, 1973)

Carolyn Heft, Esq., attorney for petitioners

Hon. Norman Redlich, Corporation Counsel, attorney for respondents, Joseph Bruno, Esq., of counsel

NYQUIST, Commissioner.—Petitioners brought a proceeding in the United States District Court for the Southern District of New York to determine the rights of petitioners as handicapped students to educational services in respondent district. On June 22, 1971, the court denied petitioners' motion for a preliminary injunction to prevent the Board of Education of the City School District of the City of New York and Harvey B. Scribner, individually and as chancellor, from denying brain-injured children adequate and equal educational opportunities, and granted a cross-motion by defendants to dismiss the complaint. On December 14, 1971, the United States Court of Appeals for the Second Circuit held, in *Matter of Reid et al. v. Bd. of Ed.* (453 F2d 238), that the district court properly abstained from deciding claims based on the United States Constitution pending a determination by New York State authorities as to related but unanswered questions of New York State law, but should have retained jurisdiction pending such a determination. Petitioners then instituted this proceeding before me.

Petitioners are nine named individuals and the New York Association for Brain Injured Children. The proceeding is also brought on behalf of a class which is stated to include all those children in the City School District of the City of New York who are handicapped but, in violation of their statutory rights, are not receiving appropriate educational services. Petitioners include within that class all students who are either attending private or public schools or for whom respondents do not provide suitable educational facilities or programs.

With regard to all the named petitioners, it is alleged that: they were not receiving appropriate educational services in the public school system; they had not been properly examined for the purpose of ascertaining the nature and severity of their handicaps; appropriate recommendations with respect to placement in proper educational programs have not been made; waiting lists existed for screening and subsequent placement; and in the past they were provided with inadequate home instruction during these waiting periods. However, the record now indicates that as of August 1973, all the named petitioners are being provided with appropriate educational services either by respondent school district or by institutions in which they have been placed.

With regard to petitioners' allegations relating to the class described above, I directed the staff of this Department to conduct a detailed and extensive survey in respondent school district. During the months of June and July 1973, an investigation was conducted by the Division for Handicapped Children and the Division of Pupil Personnel Services of the State Education Department. The investigation consisted of interviews with 76 parents of handicapped children, nine community superintendents, 37 principals, 26 professional employees of hospitals and clinics, and representatives of private agencies and employees of the New York City Board of Education. Counsel for petitioners and counsel for respondents were in attendance during these interviews. Additional information was obtained through telephone interviews and in response to written requests. In some instances, information requested from the Office of Special Education and Pupil Personnel Services of the New York City school system was not supplied or was inadequate Approximately 225 man-days were devoted to the investigation by representatives of the State Education Department.

I find that a class appeal is properly brought in this matter, in that there are admittedly numerous children residing within the respondent district whose educational needs are not being adequately served, as required by Education Law §4404, which provides, in subdivision 4:

> 4. The board of education of each school district in which there are ten or more handicapped children who can be grouped homogeneously in the same classroom for instructional purposes shall establish such special classes as may be necessary to provide instruction adapted to the mental attainments of such children from their fifth birthday until the end of the school year during which they attain their twenty-first birthday, or shall contract with the board of education of another school district, a board of cooperative educational services or a vocational education and extension board for the education of such children, under regulations to be established by the commissioner of education.

Regulations of the Commissioner of Education Parts 101, 200 and 203 provide for implementation of this requirement.

The Department's investigations have shown several areas in which respondents have not carried out their obligations as set forth in the law and regulations. In particular, I find that the following deficiencies have existed and continue to exist:

1. Undue delays in examinations and diagnostic procedures.
2. Failure to examine and diagnose handicaps.
3. Failure to place handicapped children in suitable programs.
4. Failure to provide available space and facilities for programs.
5. Children placed on home instruction in violation of the purpose of home instruction.
6. Children placed on home instruction who did not receive the required hours of personal instruction in accordance with the regulations of the Commissioner of Education.
7. Handicapped children expelled from public school education for medical reasons when such medical reasons did not preclude benefits from educational settings.
8. Incomplete or conflicting census data on the number of handicapped children residing in New York City.
9. Inadequate means of informing parents of the processes related to special education services, and inadequate plans for parent involvement in effective planning and decision-making regarding their children.
10. Suspensions of handicapped children from classes without adequate notice or provision for alternate educational services.

With regard to respondents' failure to examine and diagnose handicapped pupils, I have found that a "Medical Discharge Register" has been established by respondents and used as a substitute for providing services for children with handicaps and discipline problems. This register lists children who have been suspended and who are not receiving educational services. Such children may or may not eventually be placed in an appropriate educational program by respondent. It is clear that this type of suspension is not provided for by statute. Suspensions based on discipline problems must be handled in accordance with the provisions of Education Law §3214. Handicapped students must be provided with educational services if they are capable of benefiting from them, or—in the most extreme circumstances—they may be exempted from attendance upon instruction. There is no third alternative, as contemplated by respondents' "Medical Discharge Register."

I further find that the functioning of the committee on the handicapped is a failure in respondent district. To be effective, such committee must function on a regional basis in accordance with a plan developed by respondents in consultation with community boards.

Education Law §4404 clearly expresses the public policy of this State that all handicapped children be provided with adequate educational services. Respondents have, in many instances, resorted to home instruction instead of providing adequate classroom facilities for the handicapped. As noted above, §4404 provides that where 10 or more handicapped students who can be grouped homogeneously require special educational programs, classes must be established for those students. Home instruction should not and may not be used to avoid that mandate. When it has been determined that a handicapped student cannot benefit from class instruction, home instruction may be provided, but only in accordance with the provisions of Regulations of the Commissioner of Education §200.3(e) (*Matter of Valentin*, 10 Ed Dept Rep 53 (1970).

Respondents' failure to provide adequate educational programs for handicapped pupils results in large part from their failure to provide adequate physical facilities and staff for the needed services. Again, the law is clear that respondents must provide the required facilities and staff or contract with private agencies in accordance with Education Law §4404(2)(b).

THE APPEAL IS SUSTAINED.

IT IS HEREBY ORDERED that respondents' "Medical Discharge Register" be discontinued forthwith; and

IT IS FURTHER ORDERED that all students who have been diagnosed as handicapped be placed immediately in appropriate public school classes or, if public school classes are not available, in private schools under contract in accordance with the provisions of Education Law §4404(2)(b); and

IT IS FURTHER ORDERED that home instruction be provided by respondents solely in accordance with the provisions of Regulations of the Commissioner of Education §200.3(e); and

IT IS FURTHER ORDERED that respondents forthwith submit to me lists of all children being provided home instruction and the reasons for such home instruction; and

IT IS FURTHER ORDERED that the exemption procedures established under the provision of Regulations of the Commissioner of Education Part 101 be followed with respect to those students who cannot benefit from any instruction; and

IT IS FURTHER ORDERED that a plan to eliminate waiting lists for diagnosis and placement be submitted to me by respondents by February 1, 1974; and

IT IS FURTHER ORDERED that respondents, in consultation with community boards, establish a procedure for regionalizing evaluation of the handicapped not inconsistent with Regulations of the Commissioner of Education §200.2 and submit that procedure to me by February 1, 1974; and

IT IS FURTHER ORDERED that respondents undertake a study of the needs of the handicapped on the secondary level and that a plan to meet the needs of those handicapped pupils in the junior and senior high schools be submitted to me by February 1, 1974; and

IT IS FURTHER ORDERED that respondents prepare and forward to me not later than February 1, 1974 a plan for notifying all parents and interested persons, in a language understood by such persons, concerning services available for handicapped children and where advice may be obtained concerning such educational services and to whom complaints may be addressed; and

IT IS FURTHER ORDERED that jurisdiction of this appeal be retained pending my further order.

APPENDIX B

HANDICAP CATEGORIES FOR STATE AID PURPOSES

AMENDMENT TO REGULATIONS OF THE COMMISSIONER OF EDUCATION
Pursuant to Section 207 and 3602 of the Education Law

A new Section 200.6 of the Regulations of the Commissioner of Education is added, effective July 23, 1974 to read as follows:

State aid to school districts for the education of pupils with handicaps

(a) For the purposes of apportionment of special services aid under Section 3602 of the Education Law, the definitions of severely handicapped pupils shall be:

(1) Severely crippled and health impaired - a child who must function in a physical environment specially designed; or needs medication intervention and/or maintenance; or who requires individual or small group instruction at a pupil/teacher ratio not to exceed 10 to 1.

(2) Severely handicapped (deaf) - a child with a hearing handicap in excess of 80 decibels (ISO) in the better ear whose degree and type of hearing loss is so severe that spoken language cannot be acquired normally and whose receptive and expressive communication skills are so limited that additional supportive services are provided. This child would be in need of a highly specialized program with teacher/pupil ratio not to exceed 10 to 1 and with specially certificated teachers of the deaf along with additional support services.

(3) Severely emotionally disturbed - a child whose emotionally disturbance is so severe that the child is unable to relate to other children and may have an absence of speech, and who requires individual or small group instruction at a pupil/teacher ratio not to exceed 8 to 1, and in addition needs the support of clinical services. A severely emotionally disturbed child is one whose condition has been determined to be such by a school psychologist or an approved mental health clinic or a psychiatrist.

(4) Multiply handicapped - a child who, because of the multiplicity of his handicapping conditions, requires intervention by more than one certified specialist in the area of education of the handicapped. For purposes of this section, visually impaired children shall be included, but those children whose second handicap is solely in the area of speech shall not be included.

(5) Trainable mentally retarded - a child who, on the basis of a comprehensive evaluation (such evaluation to include an individual psychological examination) is determined to possess general intellectual capacity that falls lower than 3 standard deviations below the mean of the general population, cannot profit from programs established for the educable mentally retarded, but may be expected to profit from special programs for the trainable.

(b) For the purposes of apportionment of weighted aid under Section 3602 of the Education Law, the definitions of pupils with handicapping condtions shall be:

(1) Trainable mentally retarded - a child who, on the basis of a comprehensive evaluation (such evaluation to include an individual psychological examination) is determined to possess general intellectual capacity that falls lower than 3 standard deviations below the mean of the general population, cannot profit from programs established for the educable mentally retarded, but may be expected to profit from a special education program for the trainable.

(2) Educable mentally retarded - a child who, on the basis of a comprehensive evaluation (such evaluation to include an individual psychological examination) is determined to possess general intellectual capacity that falls lower than 1.5 standard deviations below the mean of the general population, cannot profit from regular classroom instruction but may be expected to profit from a special education program for the educable.

(3) Severely speech impaired - a child with unintelligible speech or inability to communicate verbally who is provided daily instruction in regular or special classes by a certified teacher of the speech and hearing handicapped.

(4) Hearing impaired - a child with a hearing handicap in the 40 and above decibel range (ISO) whose hearing loss precludes his functioning normally in a regular classroom situation without the supportive services of an itinerant teacher or a resource room program.

(5) Visually impaired - a legally blind child with the visual capacity of 20/200 or less in the better eye with the best correction, or a field of vision restricted to a 20° arc.

Partially sighted - a child whose visual acuity in the better eye with best correction ranges between 20/70 and 20/200, including those children who can still function capably with their residual vision and who have a medically indicated progressive visual loss, or a recurring serious medical eye problem affecting acuity and operable eye diseases.

(6) Emotionally disturbed - a child whose condition has been determined to be such by a school psychologist or an approved mental health clinic or a psychiatrist.

(7) Physically handicapped - a child who manifests a condition which incapacitates the child and includes orthopedic, neurological, and other medical conditions which result in inability to benefit from the regular educational programs for non-handicapped children, i.e., without some form(s) of special assistance.

APPENDIX C

COST AND IMPLEMENTATION SCHEDULE FOR ALTERNATIVE PUPIL INFORMATION SYSTEMS

ALTERNATIVE I: PLANNING, DEVELOPMENT, AND MAINTENANCE COSTS AND IMPLEMENTATION SCHEDULE

ALTERNATIVE I: PLANNING, DEVELOPMENT AND MAINTENANCE COSTS

1. PLANNING AND DEVELOPMENT COSTS

PERSONAL SERVICE

TITLE	SALARY	MAN-MONTHS	12 MONTH COSTS
PROJECT MANAGER	$ 17,500	12	$ 17,500
SR. QUANTITATIVE ANALYST	17,500	12	17,500
			$ 35,000
FRINGE BENEFITS (29.75%)			10,413
	SUB-TOTAL		$ 45,413

OTHER THAN PERSONAL SERVICE

DESCRIPTION	12 MONTH COSTS
REPORT GENERATOR ($13,750 FOR TOTAL BOARD)	TO BE DETERMINED
MISCELLANEOUS (FORMS, DESIGN, PRINTING)	$ 6,000
SUB-TOTAL	$ 6,000
TOTAL PS & OTPS	$ 51,413

2. CENTRAL HEADQUARTERS MAINTENANCE COSTS *

PERSONAL SERVICE

TITLE	SALARY	NUMBER OF STAFF	ANNUAL COST
SUPERVISOR	$ 25,000	1/3	$ 8,333
SR. QUANTITATIVE ANALYST	17,450	1	17,450
COMPUTER SYSTEMS ANALYST	16,000	1	16,000
TEACHER TRAINER	12,000	1	12,000
SUPERVISING CLERK	9,600	1	9,600
SENIOR CLERK	8,350	2	16,700
CLERK	6,825	1	6,825
			86,908
FRINGE BENEFITS (29.75%)			25,855
	SUB-TOTAL		$112,763

OTHER THAN PERSONAL SERVICE

DESCRIPTION	ANNUAL COST
COMPUTER TIME	$ 10,000
DATA PROC. EQUIP. RENT (KEYPUNCH, POOLING DEVICE)	5,000
COMPUTER SUPPLIES (CARDS, PAPER)	4,000
MISCELLANEOUS (TELEPHONE, OFFICE SUUPLIES AND EQUIPMENT)	600
SUB-TOTAL	$ 19,600
TOTAL PS & OTPS	$131,363

* Includes cost of maintaining BCRMD Data Bank System

WORK SCHEDULE

TASK	EST. MAN-DAYS	RESP.	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21
1. Develop plan for system design and implementation	0.5 0.0	PMS* SQA	—																				
2. Analyze Division and Bureau objectives and organization	1.5 2.0	PMS SQA	—	—	—																		
3. Conduct analysis of current information utilized	1.0 1.0	PMS SQA																					
4. Develop the control structure	0.5 0.5	PMS				—																	
5. Develop procedures for collecting, maintaining & anal. inf.	2.5 2.5	PMS SQA			—	—	—	—															
6. Test system	1.5 1.5	PMS SQA							—	—													
7. Develop and implement an educational program	0.5 0.5	PMS SQA								—													
8. Implement system	4.0 4.0	PMS SQA									—	—	—	—									

RESPONSIBILITY CODE

PMS	PROJECT MANAGEMENT STAFF
SQA	SENIOR QUANTITATIVE ANALYST

Page ________ of ________

ALTERNATIVE 2: PLANNING, DEVELOPMENT, AND MAINTENANCE COSTS, AND IMPLEMENTATION SCHEDULE

ALTERNATIVE 2

PLANNING, DEVELOPMENT, AND MAINTENANCE COSTS

1. PLANNING AND DEVELOPMENT COSTS

PERSONAL SERVICE

TITLE	SALARY	MAN-MONTHS	18 MONTH COST
PROJECT MANAGER	$ 18,900	18	$ 28,350
COMPUTER SYSTEMS MANAGER	26,112	18	39,168
SR. COMP. SYS. ANAL.	17,050	28	39,783
COMP. SYS. ANAL.	16,000	11	14,667
TEACHER TRAINER	12,000	18	18,000
COMPUTER PROGRAMMER	12,975	27	29,194
CLERK	6,825	64	39,400
			$ 208,562
FRINGE BENEFITS (29.75%)			62,047
		SUB-TOTAL	$ 270,609

OTHER THAN PERSONAL SERVICE

DESCRIPTION		18 MONTH COST
COMPUTER TIME		$ 5,000
DATA PROC. EQUIP. RENT. (keyPunch, Pooling Device)		3,000
COMPUTER SUPPLIES (Cards, Paper)		4,000
MISCELLANEOUS (Telephone, Office Supplies and Equip.)		1,000
	SUB-TOTAL	$ 13,000
	TOTAL PS & OTPS	$ 283,609

2. MAINTENANCE COSTS

PERSONAL SERVICE

TITLE	SALARY	NUMBER OF STAFF	ANNUAL COSTS
COMPUTER SYSTEMS MANAGER	$ 26,112	1	$ 26,112
SR. COMP. SYS. ANAL.	17,050	1	17,050
COMP. PROGRAMMER	12,975	1	12,975
TEACHER TRAINER	12,000	2	24,000
CLERK	6,825	4	27,300
			$107,437
FRINGE BENEFITS (29.75%)			31,963
		SUB-TOTAL	$139,400

OTHER THAN PERSONAL SERVICE

DESCRIPTION		ANNUAL COSTS
COMPUTER TIME (Maximum)[1]		$ 15,000
DATA PROC. EQUIP. RENT. (KeyPunch, Pooling Device)		7,000
COMPUTER SUPPLIES (Cards, Paper)		7,920
MISCELLANEOUS (Telephone, Office Supplies and Equip.)		1,500
	SUB-TOTAL	$ 23,500
	TOTAL PS & OTPS	$162,900

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[1] Computer time cost also include costs of key punch operators

ALTERNATIVE 2: PLANNING AND DEVELOPMENT SCHEDULE

WORK SCHEDULE

TASK	EST. MAN-MONS.	RESP.	MONTHS																				
			1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18			
SYSTEMS PLANNING STUDY	3 3 3	PMS CSM SCSA	—	—	—																		
SYSTEM REQUIREMENTS	1 1 1 1	PMS CSM SCSA CSA				—																	
SYSTEM SPECIFICATIONS	1 1 2 1	PMS CSM SCSA CSA					—																
TECHNICAL REQUIREMENTS	1 1 2 1 3	PMS CSM SCSA CSA CP						—															
IMPLEMENTATION PLAN	0.5 0.5	PMS CSM							—														
PROGRAMMING	3.5 3.5 8 4 12	PMS CSM SCSA CSA CP							—	—	—	—	—	—									
SYSTEM TEST	3 4 8 4 12 6	PMS CSM SCSA CSA CP KPO									—	—	—	—	—	—							
USER TRAINING	3 18	PMS TT													—	—	—	—	—	—			
DATA CONVERSION	2 4 4 64 32	PMS CSM SCSA CLERK KPO															—	—	—	—			

RESPONSIBILITY CODE

PMS	PROJECT MANAGEMENT STAFF
CSM	COMPUTER SYSTEMS MANAGER
SCSA	SR. COMP. SYS. ANALYST
CSA	COMPUTER SYS. ANALYST
CP	COMPUTER PROGRAMMER
KPO	KEY PUNCH OPERATOR
TT	TEACHER TRAINER
CLERK	CLERK

ALTERNATIVE 3: PLANNING, DEVELOPMENT, AND MAINTENANCE COSTS, AND IMPLEMENTATION SCHEDULE

ALTERNATIVE 3

PLANNING, DEVELOPMENT, AND MAINTENANCE COSTS

1. PLANNING AND DEVELOPMENT COSTS

PERSONAL SERVICE

TITLE	SALARY	MAN-MONTHS	18 MONTH COST
PROJECT MANAGER	$ 18,900	18	$ 28,350
COMPUTER SYSTEMS MANAGER	26,112	18	39,168
SR. COMP. SYS. ANAL.	17,050	32	45,467
COMP. SYS. ANAL.	16,000	22	29,333
TEACHER TRAINER	12,000	18	18,000
CLERK	6,825	64	36,400
COMPUTER PROGRAMMER	12,975	40	43,250
			$ 239,968
FRINGE BENEFITS (29.75%)			71,390
	SUB-TOTAL		$ 311,358

OTHER THAN PERSONAL SERVICE

DESCRIPTION		18 MONTH COST
COMPUTER TIME		$ 7,500
DATA PROC. EQUIP. RENT. (KeyPunch, Pooling Device)		3,500
COMPUTER SUPPLIES (Cards, Paper)		4,000
MISCELLANEOUS (Telephone, Office Supplies and Equip.)		1,000
	SUB-TOTAL	$ 16,000
	TOTAL PS & OTPS	$324,861

2. MAINTENANCE COSTS

PERSONAL SERVICE

TITLE	SALARY	NUMBER OF STAFF	ANNUAL COST
COMPUTER SYSTEMS MANAGER	$ 26,112	1	$ 26,112
SR. COMP. SYS. ANAL.	17,050	1	17,050
COMP. SYS. ANAL.	16,000	1	16,000
COMP. PROGRAMMER	12,975	2	25,950
TEACHER TRAINER	12,000	3	36,000
CLERK	6,825	6	40,950
			$ 162,062
FRINGE BENEFITS (29.75%)			48,213
	SUB-TOTAL		$ 210,275

OTHER THAN PERSONAL SERVICE

DESCRIPTION		ANNUAL COST
COMPUTER TIME (Maximum)[1]		$ 19,000
DATA PROC. EQUIP. RENT. (KeyPunch, Pooling Device)		10,000
COMPUTER SUPPLIES (Cards, Paper)		8,000
MISCELLANEOUS (Telephone, Office Supplies and Equip.)		2,000
	SUB-TOTAL	$ 39,000
	TOTAL PS & OTPS	$ 249,275

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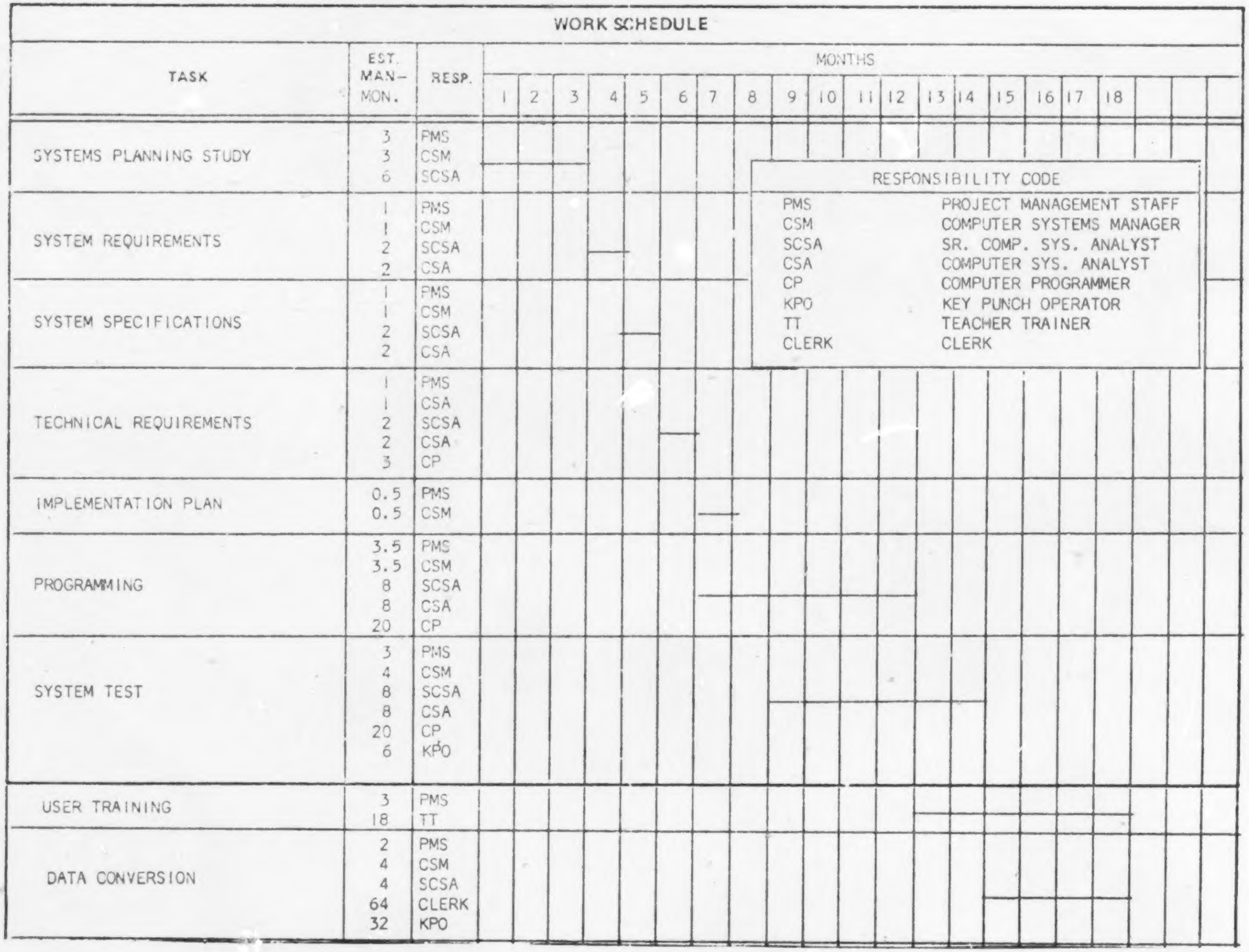
1. Computer time costs also include costs of key punch operators

ALTERNATIVE 3: PLANNING AND DEVELOPMENT SCHEDULE



WORK SCHEDULE

TASK	EST. MAN-MON.	RESP.
SYSTEMS PLANNING STUDY	3 3 6	PMS CSM SCSA
SYSTEM REQUIREMENTS	1 1 2 2	PMS CSM SCSA CSA
SYSTEM SPECIFICATIONS	1 1 2 2	PMS CSM SCSA CSA
TECHNICAL REQUIREMENTS	1 1 2 2 3	PMS CSA SCSA CSA CP
IMPLEMENTATION PLAN	0.5 0.5	PMS CSM
PROGRAMMING	3.5 3.5 8 8 20	PMS CSM SCSA CSA CP
SYSTEM TEST	3 4 8 8 20 6	PMS CSM SCSA CSA CP KPO
USER TRAINING	3 18	PMS TT
DATA CONVERSION	2 4 4 64 32	PMS CSM SCSA CLERK KPO

RESPONSIBILITY CODE

PMS	PROJECT MANAGEMENT STAFF
CSM	COMPUTER SYSTEMS MANAGER
SCSA	SR. COMP. SYS. ANALYST
CSA	COMPUTER SYS. ANALYST
CP	COMPUTER PROGRAMMER
KPO	KEY PUNCH OPERATOR
TT	TEACHER TRAINER
CLERK	CLERK